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MBA PROFESSIONAL REPORT

Marketing the Masters of Executive Management Program

By: **Mark A. Barrera**
Timothy W. Karriker

December 2007

Advisors: **Bryan Hudgens,**
Roxanne Zolin

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The purpose of this MBA project was to review the current Masters of Executive Management education curriculum at NPS. An internal analysis of the current program was conducted to fully understand the strategic goals of the program and the existing curriculum. An environmental scan of current and potential military customers was conducted to assess requirements for junior executive education and determine whether the MEM program corresponds with these requirements and, if not, what changes to curriculum should be considered. Information collected was then used to determine prospective customers while creating a detailed marketing strategy for the GSBPP.

Once information was collected, it was possible to construct a marketing plan to increase the NPS brand awareness in hopes of attracting students. Marketing plan recommendations include: (1) Package its various products/programs and market under one primary GSBPP brand; (2) Abandon current traditional and passive marketing efforts for an active recruiting approach by utilizing relationship marketing strategies; (3) Develop alumni networks that provide marketing labor and tools to stimulate demand for the GSBPP.

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MARKETING THE MASTERS OF EXECUTIVE MANAGEMENT PROGRAM

Mark A. Barrera, Major, United States Air Force
Timothy J. Karriker, 1st Lieutenant, United States Air Force

Submitted in partial fulfillment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

from the

NAVAL POSTGRADUATE SCHOOL
December 2007

Authors: _____
Mark A. Barrera

_____
Timothy W. Karriker

Approved by: _____
Bryan Hudgens, Lead Advisor

_____
Roxanne Zolin, Support Advisor

_____
Robert N. Beck, Dean
Graduate School of Business and Public Policy

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MARKETING THE MASTERS OF EXECUTIVE MANAGEMENT PROGRAM

ABSTRACT

The purpose of this MBA project was to review the current Masters of Executive Management education curriculum at NPS. An internal analysis of the current program was conducted to fully understand the strategic goals of the program and the existing curriculum. An environmental scan of current and potential military customers was conducted to assess requirements for junior executive education and determine whether the MEM program corresponds with these requirements and, if not, what changes to curriculum should be considered. Information collected was then used to determine prospective customers while creating a detailed marketing strategy for the GSBPP.

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- Major Mark Barrera

I would like to thank my wonderful wife Sarah for being patient and supportive during the process of this project.

- Lt Timothy Karriker

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I. INTRODUCTION

The Master of Executive Management (MEM) degree at the Naval Postgraduate School (NPS) is a 12-month defense-focused executive management program targeting junior field grade officers. The MEM program provides (Moses, 2005b):

- Executive management education appropriate for future senior officers
- Analytical and critical thinking skills necessary to make strategic decisions under conditions of uncertainty
- Specialization opportunities in Defense Business Management functions including: Acquisition, Program Management, Financial Management, Information Technology Management, and Logistics Management

The enrollment of students in the MEM program has not met the expectations of the MEM program manager and its enrollment after two years of existence remains stagnant at six students total (Hudgens, 2007). Four students have graduated with a MEM degree and two students remain enrolled at the time of this publication. Of the two students currently enrolled in the MEM program, neither represent the initial target market for the MEM program at its conception (Moses, 2005b).

The MEM program faces a significant challenge to increase enrollment in a competitive education industry noted for its evolving and changing market due to new marketing technologies and activities. Significant factors exist that challenge the MEM program, both internally and externally. However, there were many opportunities uncovered for the MEM program in both the military and civilian graduate education market that reveal the true potential of this business graduate education program.

A. PURPOSE

The purpose of this project is to evaluate the potential of the MEM program and develop a marketing strategy that maximizes the MEM brand image and increases student enrollment. Our objectives for this project are to:

- Determine the strengths of the MEM program
- Determine the ideal target market for the MEM program
- Provide a strategy to market the MEM program

B. BACKGROUND

1. Air Force's Initial Requirements

The MEM program uses existing Graduate School of Business and Public Policy (GSBPP) courses and cohorts to complete its requirements with minimal resource impacts. The design concept and entry requirements for the MEM program were tailored for the students who differ from the typical GSBPP student in the following respects (Moses, 2005b):

- MEM students are more senior (O-4s to O-5s)
- MEM students have achieved a career specialization with substantial experience
- MEM students are identified by promotion boards as top performers

The requirements that led to the creation of the MEM degree were first presented by the Deputy Assistant Secretary of the Air Force for Contracting (SAF/AQC). The SAF/AQC requested a 12-month degree for its USAF officers selected for Intermediate Developmental Education (IDE) and was supported by the Joint Oversight Board for Acquisition Curricula (JOBAC). The Air Force requested a 12-month program for its IDE students due the experience and specialization already achieved in its IDE students. In addition, a 12-month program also increases the chances of selection for squadron command after graduation from NPS due to the option for officers to start and complete the degree requirements in the crucial Air Force summer assignment cycle where the overwhelming majority of squadron command billets are assigned. The Army Financial Management community has also requested a 12-month program, but was denied by the GSBPP for academic reasons (Moses, 2005a).

These requirements differed from the Navy sponsor's viewpoint (Moses, 2005a). The Navy sends its students to the GSBPP to receive a curriculum focused on specialization and qualification in a field in preparation for their next assignments as senior Lieutenants and junior Lieutenant Commanders. The GSBPP strongly believes that its 18-month program is the minimum length necessary for a student to receive an MBA degree and the specialty qualification needed in a career field (Financial Management, Contracting, Program Management, etc.) (Moses, 2005a). But from the USAF perspective, its requirements for IDE students were broad and strategic in nature and a new program was required at the GSBPP to meet the Air Force's Force Development needs.

2. Air Force Force Development Needs

Force Development is the process that the Air Force uses to develop the capabilities of the people who make up its service. From the Air Force's standpoint, personnel are experiencing high operations tempo while absorbing high technological growth. Force development focuses on better utilizing the time and effort of its personnel and optimizing their development. From the Chief of Staff of the Air Force Sight Picture on Force Development (HQ AFPC/DPAFF, 2005):

> Our goal in implementing our new Force Development construct is to make that investment in all career fields and all ranks more deliberately than we do today in order to better prepare us for the future and better meet your expectations…..Most importantly, we have made sure that this new emphasis reflects a sincere respect for your time – time that you owe to other priorities in your life, like your families.
>
> Gen John Jumper
> Chief of Staff, USAF

The Air Force implemented General Jumper's vision for Force Development by first developing technical mastery in each career field. In some cases, the Air Force sends select officers to get master's degrees in a technical specialty. The Air Force then looks to broaden the personnel's understanding of Air Force missions and educate its personnel to meet its ultimate goal: Developing leaders who can lead and integrate missions outside their specialized experience (HQ AFPC/DPAFF, 2005).

Air Force students selected for IDE were chosen as the best officers who can make the greatest contribution as Air Force leaders (HQ AFPC/DPAF, 2005). Job performance and leadership potential are the qualities evaluated for IDE selection. Advanced degrees selected for its IDE students are deliberately chosen to prepare them for senior leadership responsibilities and career broadening. In addition, the selection to command is an important facet of Force Development. The requirement of flexibility to start and complete graduate education in the summer assignment cycle was very important to the Air Force. The Air Force has developed a squadron command assignment process that stresses stability and continuity in its selection methods. Integrating IDE with this process is a crucial requirement that is met by the overwhelming majority of educational institutions providing advanced degrees (AFPC, 2007).

3. MEM Program Evolution

From a strategic standpoint, the GSBPP had gained significant impetus for its acquisition programs when the Secretary of the Navy and Secretary of the Air Force signed a Memorandum of Agreement in December 2002 that stated only the GSBPP would offer acquisition graduate education programs. The Air Force Institute of Technology (AFIT), a competitor to the GSBPP for acquisition students, ceased its graduate acquisition education programs to comply with the Memorandum. The GSBPP would now be the leader in acquisition graduate education (Moses, 2005a).

In order for the GSBPP to maintain its lead in acquisition graduate education and meet the IDE needs of the Air Force, the MEM program was developed and began accepting students in June 2006. Four students graduated from the program in 2007. Two students remain in the program at the date of publication, a Retired Navy Captain and a retired Coast Guard officer. The MEM allows its students to start and end the program in the summer quarter to maximize the potential of its graduates to receive a command position after graduation. The option of beginning the MEM program in the winter quarter is available as well.

However, despite an increase in enrollment of students in the MBA program due to its lead in acquisition graduate education, and despite offering educational opportunities beside acquisition, the MEM program has lagged in enrollment (Horvath, 2007). With a marketing plan and sub-sequential increases in enrollment, the MEM program intends to develop MEM-only courses and cohorts that may offer the ability to hire additional faculty after enrollment increases.

C. ENVIRONMENT

1. Enrollment

The Naval Postgraduate School provides graduate education in a very competitive environment for incoming students and funding. Enrollment at the GSBPP has increased steadily since its inception with its innovative programs aimed at Unrestricted Line Officers and its broad selection of quality programs offered to all services of the United States and countries abroad. The number of MBA graduates has increased 8% per year. However, recent funding limitations has reduced the number of Air Force officers selected to attend the GSBPP and overall enrollment has declined at the GSBPP in the past two years (Horvath, 2007).

For the current FY08 and for FY09, the Air Force has decided to dramatically reduce inbound students to the Naval Postgraduate School. The number of students selected by the Air Force to attend the Naval Postgraduate School dropped 32% in FY08. More importantly, the lower enrollment appears to be directly targeted at the GSBPP. The number of Acquisition students has dropped from 30 in FY07 to five in FY08. Contracting students have dropped from 20 to four in the same period as well (Hudgens, 2007). The decision to reduce Air Force enrollment at the GSBPP reflects a US military that is refining its priorities as it fights the War on Terror. Enrollment figures for other IDE programs at NPS will hold steady in FY08 and FY09, with increases noted for education programs directed at Foreign Area Specialists and Homeland Security. AFIT has not been immune to enrollment declines as well. AFIT's Cost Analysis program saw a decline from 20 students to 7 in the period of FY07 to FY08 (Hudgens, 2007).

2. External Factors

The GSBPP, and thus the MEM program, competes for students in an environment directly impacted by military budgets. Government funding is important for all academic institutions. However, despite other advantages of steady government funding, NPS is completely dependent on government funding for student enrollments and survival as an academic institution. Despite the maturation of the MBA program and accolades for its faculty in acquisition education, enrollment is expected to decline due to funding reductions (Hudgens, 2007) .

In addition to the dependence on government funding for survival, NPS competes directly against traditional academic institutions for prospective students. All services send select military officers to traditional academic institutions for graduate education degrees. While the number of students attending IDE programs at traditional academic institutions is small (Hudgens, 2007), the appeal of closing NPS and all of its overhead expenses should not be overlooked. Some have argued that NPS may be outdated and that education vouchers, privatization, and outsourced graduate education programs may be the most cost-effective method to provide graduate education to military officers (DesJardins & Kohmuench, 2001).

The Air Force has a post-graduate institution at Wright-Patterson that competes directly for students selected to receive business and acquisition related programs. If the Memorandum of Agreement that states that the GSBPP is the only school to provide graduate acquisition education were to be retracted, AFIT would probably receive more Air Force students due to the significant high cost of living in the Monterey Peninsula compared to Wright-Patterson, AFB in Ohio.

The Air Force also has started accrediting many of its education programs to meet the needs of its military officers. The Air Command and Staff College now offers a distance learning accredited graduate program (Air University, 2007). Other programs such as the Air Force Test Pilot School are starting to award accredited graduate degrees as well. The Defense Acquisition University also provides acquisition education, but not graduate education degrees.

In this competitive environment for graduate education, however the most significant programs that compete directly with the MEM program may be the other programs at the GSBPP that award graduate degrees. Analysis of the internal documents used when developing the MEM program indicates a strong preference to maintain the resident MBA program as the benchmark of the GSBPP. During the development of the MEM program, extensive analysis by the GSBPP was undertaken to determine and measure the possible effects of cannibalization to the GSBPP MBA program. Decisions about the MEM program structure and name were made to ensure the MBA program enrollment was not compromised (Moses, 2005). MEM program development was deliberately constructed to be secondary to the MBA program and remains so to this day.

D. SCOPE

This project is limited in scope and does not provide detailed analysis of the following topics:

- No extensive research was undertaken to evaluate the course contents of the MEM program in detail at the course or syllabus level to determine a market advantage.
- No research was undertaken to extensively evaluate the faculty of the GSBPP against the quality of first-tiered educational institutions and other direct and indirect competitors to the MEM program.
- No research was undertaken to determine if the MEM program should remain a resident program versus a shift to the potentially larger market of distance learning education.
- No detailed cost analysis was undertaken to determine the financial competitiveness of the MEM against competitors.

A comprehensive marketing plan for the GSBPP does not exist for comparison or correlation. This project is for academic purposes only.

E. METHODOLOGY

Chapter II will provide for the breakdown and structural support of the authors marketing plan. Different methods of research will be applied to give insight into the industry and also the market that the MEM program will operate within. Also, the fundamentals behind the research methods for evaluating corporate culture, organizational structure, policies, and the NPS business environment (internal, external) will be addressed (Kotler, 2003a). This methodology section will serve as the basis and reasoning for research from which our overall recommendations will be formulated.

F. ORGANIZATION

This MBA project is organized by introducing the MEM program in detail to describe the background and environment of the program and explain how the MEM program was developed. In addition, the role that external actors play in the MEM environment and a discussion of the political issues that affect the MEM program are presented. Chapter II explains in detail the methodology used to develop the MEM Marketing Strategy. Chapter III is a literature review of the graduate education industry and best practices used by the top business schools to recruit students and market their MBA programs. An analysis of the MEM program which includes the performance of the MEM to date, the situational analysis and market segments of the MEM program, and the resultant marketing strategy is presented in Chapter IV. Conclusions and overall recommendations from our research culminate in Chapter V.

II. METHODOLOGY

The markets of today's business schools are faced with an increasing level of competition as well as numerous barriers. The success of a business rests upon the organizational structure as well as the ability of management to make the right strategic decisions (Mullins, Walker, Boyd, & Larreche, 2005). The MEM program manager has stated "that The Naval Postgraduate School has had some success in marketing their executive education degree program" (Hudgens, 2007). However, GSBPP desires to increase MEM enrollment outside the current target market comprised mostly of the Air Force, and to promote an increase in awareness of the program to potential customers. This has added to an imperious need for a sound marketing strategy with clear and concise information and objectives. This Chapter will provide a blueprint for our team and the GSBPP to construct a marketing strategy for the MEM program.

The GSBPP must be able to develop a strategy that will guide their organization towards their overall vision through value adding activities. They must also evaluate the success of the analytical framework and overall strategy of the organization while exploiting opportunities that materialize. Since traditional and new online distance learning educational institutions no longer operate in the "Industrial Age", the digital revolution has changed the way that institutions must market themselves to attract new students (Kotler, 2003).

The format of this chapter continues with an outline of the different strategic phases for a marketing plan. Figure 1, created for this chapter, will serve as the main basis of methodology for the project report (Kerin & Peterson, 2004; Kotler, 2003; Mullins et al., 2005). Also, each subtopic will discuss the importance that the element provides in the formulation of a successful strategic marketing strategy along with the methodology behind the topic. In Chapter IV, this methodology serves as the framework for the MEM marketing strategy development. Although the methodology described below references traditional business operations and activities, our team applied these

concepts to our analysis of graduate education to generate a MEM marketing strategy. Our team found no inconsistencies with the methodology and its application to the education industry.

MEM Marketing Plan Methodology

A. Executive Summary
B. Strategic Focus and Plan
1. Mission
2. Goals
3. Sustainable Competitive Advantage

C. Performance Review
1. Past Performance
2. Prior Marketing Program

D. Situation Analysis
1. SWOT
2. Effective Goals
3. Industry Analysis
4. Internal Analysis

E. Customer/Market Segment
1. Market Segments
2. Target Market
3. Positioning

F. Marketing Strategy
1. Product Strategy
2. Pricing Strategy
3. Promotion Strategy

G. Implementation
H. Evaluation and Control

Source: Developed from (Kerin & Peterson, 2004), (Kotler, 2003)

Figure 1. MEM Marketing Plan Methodology

A. EXECUTIVE SUMMARY

An executive summary should be a concise and succinct overview of what your organization is hoping to achieve. It is also a brief background of the actual organization and opportunities. The summary also contains a description of your product or service and has a list of goals an educational organization wishes to accomplish along with ways to achieve them. Also, long and short term strategies to achieve set goals should be addressed in this section. Clear communication is very important in this area and it should be easy to read and understand (Baron, 2003).

B. STRATEGIC FOCUS

Strategic focus is needed so that members can understand the organization's direction as well as what achievement their marketing plan is supposed to produce. This part of the plan will consist of different guiding elements such as the mission statement, organizational goals, and competitive advantages. Our team will evaluate the aforementioned elements and propose any deficiencies noted with current data found. The Strategic Focus' elements are described below:

1. Mission Statement

Formulation of the mission statement allows for the management team to strategically evaluate which market they are actually operating in. According to (Kotler, 2003), "organizations develop mission statements to share with managers, employees, and-in many cases-customers." Mission statements communicate the overarching goals of the organization to all members, employees, suppliers, stakeholders and customers. Mission statements lead the organization into developing a vision that is aligned strategically with their core competencies. It should also specify what tangible product or technology is being provided within the market (Kotler, 2003).

2. Goals

Goals should be easy to understand and also have an accompanying detailed plan to achieve them. Organizations should make sure that set goals are tangible and can be measured quantitatively. Goals are usually placed into a few different categories: production, financial, and marketing. These different goals are usually brought out by different known problems that already exist within organizations. The issues of concern are then debated and a future outcome is predicted. Once the goals have been measured as effective or not, managers must either change the scope of the goal or uncover the reason for the shortcoming and then formulate a new strategic plan to achieve the goal (Kerin & Peterson, 2004).

3. Sustainable Competitive Advantage

A critical strategy when developing an organization is to create a competitive advantage within the organization's respective industry (Barney, 2002). This can be achieved when an organization differentiates its products, services or management styles to create a temporary or sustained financial advantage over competitors. Organizational leaders and proprietors are able to achieve a competitive edge through extensive industry analysis and by using this obtained research to create a strategic organization plan that will help to create an industry advantage (Barney, 2002). Some popular methods of internal and external industry analysis are Michael Porter's Five Forces Model and Albert Humphrey's Strengths, Weaknesses, Opportunities and Threats analysis (SWOT) (Mullins et al., 2005). Once an organization is able to understand the different workings of the industry and which exact industry they are operating within, they are able to determine how their product or service will fare within the environment. It is also important to properly forecast what your opposition is planning to do within the market. Organizations can then come up with a plan to counter the strategies of other organizations.

While generating a sustainable competitive advantage, it is necessary to form a synergistic style of management. This allows for the strategic alignment of all internal

departments and external parties that are involved with the business. Also, companies that are able to be industry leaders and gain learning curves will have a better opportunity at maintaining a competitive advantage over rivals and entrants. This assists organizations in applying and reintegrating new findings and techniques to allow for a lower cost product along with an ever improving quality. Even though organizations may create a sustainable advantage, their position will always be challenged. It is important to understand that the returns that will be gained from a competitive advantage will eventually decline, especially when other companies enter and a minimum efficient scale develops. Therefore, organizations need to be able to continually monitor their internal strategies as well as external factors to sustain their advantage. This whole life cycle happens based around three main stages: develop, deploy, and decline. As stated by Ian MacMillan (1998), "A firm must invest resources to *develop* a competitive advantage, which it can later *deploy* to boost its performance. But that position will eventually *decline* as rival firms build these advantages into their own strategies".

Organizations should be aware of opportunities that exist within their marketplace and should develop operational plans to exploit those opportunities. For organizations to be able to maximize returns for products or services rendered, they must be able to identify core competencies and align them with their strategy to achieve a competitive advantage.

C. PERFORMANCE REVIEW

A performance review is necessary to fully understand the quantitative data that has been collected on the organizations product or service. This collected information will allow our team to evaluate on the basis of past performance and also provides a template to follow when constructing a new marketing plan for the MEM. Among the most important factors to extract from the prior marketing plan (if found) are past performance and also the prior marketing program elements (Hauser, 1988).

D. SITUATION ANALYSIS

A situation analysis is necessary to determine the courses of action in promotion of a product or service. Managers must first understand what problem the marketing plan answers. They also need to uncover alternative courses of action as well as different factors that they have no control over (uncertainties). Management must be able to sort the relevant information throughout the decision making process. Important analytical tools for a marketing plan are Strength, Weaknesses, Opportunities, & Threats (SWOT) analyses, quantifiable goals, industry analyses, and internal analyses. These tools are described below (Carini, 2006; Kerin & Peterson, 2004):

1. Strengths, Weaknesses, Opportunities, & Threats

A SWOT analysis is an environmental scan that evaluates the characteristics of an internal market along with the possible impacts of external environments. It allows management to strategically evaluate the different strengths, weaknesses, opportunities, and threats that can affect current industry operations. A SWOT can also be utilized prior to a company entering into a new market by providing possible entry scenarios. Organizations should also have contingent plans to minimize any internal or external weaknesses, to exploit available opportunities, and to neutralize threats. At this point management can now start to formulate goals based on information from the SWOT analysis (McDonald, 2006).

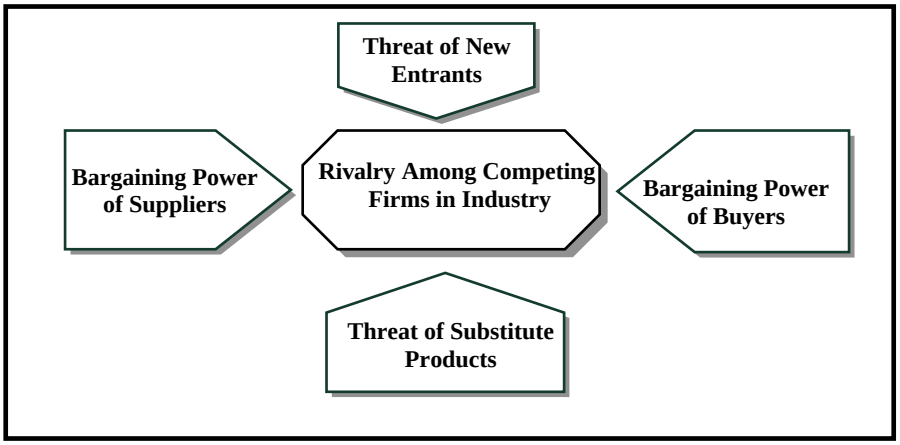
2. Effective Goals

Goals should be utilized to construct the marketing plan and also communicate objectives to the organizations employees and management teams. To be effective, goals must have four main elements: "(1) be arranged hierarchically to guide the businesses in moving from broad to specific objectives for departments and individuals; (2) be stated quantitatively whenever possible; (3) be realistic; (4) be consistent (Kotler, 2003)."

3. Industry Analysis

An industry analysis is performed to provide a background of the current industry size, competitors, financial/sales data, and customer profiles. This information usually contains quantitative industry trends and analyses. Data is usually compiled from governmental databases, annual reports, and other different census bureaus. An important analytical tool to be utilized in an industry review is Porter's Five Forces Model (see Figure 2). Michael Porter (1979) identified five forces that determine the intrinsic, long-run profit attractiveness of a market or market segment: industry competitors, potential entrants, substitutes, buyers, and suppliers. The following is a brief description of the Five Forces and also the threats that each poses to the business:

Porters Five Forces Model (Industry Analysis Tool)


Threat of New Entrants
Bargaining Power of Suppliers
Rivalry Among Competing Firms in Industry
Bargaining Power of Buyers
Threat of Substitute Products

Source: Michael Porter (1979)

Figure 2. Porter's Five Forces Model

a. Potential Threat of New Entrants into the Market

Low barriers that allow for comparatively easy entrance into and out of a market make for a less profitable market. There will most likely be more competitors within the industry making a competitive advantage a key to success. More profit is to be gained if your product or service is in an industry with high barriers to entry. Such barriers could consist of high start up costs, established economies of scale, taxes/tariffs, trade regulations, and patents. Entrants should look for highest profitability in an industry with high barriers to entry complemented with low exit barriers. This will provide a higher stable return compared to an industry with low entry barriers and low exit barriers (Kotler, 2003; Withiam, 2007).

b. Threat of Suppliers Growing Bargaining Power

If suppliers have greater bargaining power over their customers, they will be able to raise prices and also control quantity supplied to their buyers. This occurs when suppliers offer a product that has few substitutes and switching costs are relatively high. Organizations should think strategically when finding a supplier and also evaluate possible alliances. It is important that manufactures keep multiple sources of supply to avoid supplier control (Kotler, 2003; Withiam, 2007).

c. Rivalry Among Segment Competitors

Rivalry occurs in industries that are overcrowded and contain established industry leaders. This type of market usually has heated price wars due to high investment costs into their plant capacity, start up costs, and advertisement expenses. This type of threat is also usual when large companies are competing for a restricted demand market (Kotler, 2003; Withiam, 2007).

d. Threat of Buyers' Growing Bargaining Power

Greater buyer power can make an industry unattractive as organizations choose not to subject themselves to control by other organizations downstream in the supply chain. Switching costs are usually low in this industry and products are undifferentiated (Kotler, 2003;Withiam, 2007).

e. Threat of Substitute Products

The threat of substitutes must be analyzed when designing a product or service. If the market is already flooded with substitutes, price becomes a factor. Substitutes serve to establish price ceilings that can make it hard for a large profit to be gained within this segment. Also, organizations should be aware of possible threats from substitutes that could develop. Organizations should focus on brand name recognition when operating within this segment (Kotler, 2003; Withiam, 2007).

4. Internal Analysis -

An internal environment analysis is achieved through an organizations' evaluation of internal operations and capabilities. It allows managers to fully understand what opportunities the organization has. These foreseeable opportunities are then compared with the goals of the organization to see if they are congruent. It is important to be aligned with the internal capabilities of the organization. Managers must be able to decide between obtainable and unobtainable goals based on current financial positions, manufacturing capabilities, capacity, and other managerial and operational factors (Kotler, 2003a).

E. CUSTOMER MARKET SEGMENTS

1. Market Segments

A market is categorized by: "(a) individuals and organizations who (b) are interested and willing to buy a particular product to obtain benefits that will satisfy a

specific need or want, and who (c) have the resources (time, money) to engage in such a transaction (Mullins et al., 2005)." This means that organizations must operate within a specified niche to fulfill customer needs and wants and hopefully be able to create a substantiated competitive advantage. At this point in the strategic analysis process, managers can now begin to categorize different market segments. Different market segmentation will lead to tailored strategies being applied.

No matter which market they are operating within, organizations should capitalize on the different buying patterns that consumers are depicting and directly market to the segment (e.g., based on demographics/median household income) (Veiders, 2007). These preference patterns allow for the business to understand variances in relation to their product features and consumer taste. Once the preferences are known, businesses can then begin to market their product or service according to the data. With the proper market segmentation being discovered, managers should then be able to choose a certain target market.

2. Target Market

Organizations of past generations have tried to be the one stop shop for all of their customers needs. To be able to satisfy customers of the new generation "it is more beneficial to your bottom line and quality of life to focus your organization either on a specific niche of remodeling or to be a generalist" (Dwyer, 2007). Industry leader, Toyota, has been successful marketing their vehicles to different niches or target markets. The regular Toyota line offers a broad range of vehicles at all different price levels. The company then decided to create Lexus which targets the high quality/high premium market. Cars are built from the same chassis and almost all parts are interchangeable between the two platforms. This aspect allowed Toyota to minimize production costs while cashing in on the two different segments (Sudhir, 2001). Also, to enhance the brand name status, a Lexus vehicle cannot be purchased through a Toyota dealer and is marketed totally separate (Dwyer, 2007).

Organizational strategists must be able to evaluate the attractiveness of different market segments. These potential opportunities are possible target markets for the

product or service. Some of the characteristics when evaluating the markets are size, growth, profitability, scale economies, and risk level (Kotler, 2003). Firms must also be able to analyze the markets and position them alongside of their long term goals. To achieve a strong market presence, organizations must be able to concentrate strategy and effort to different target segments. Different specialization approaches include:

a. Single-Segment Concentration

Concentration of target marketing is applied towards a sole chosen segment through concentrated marketing. Most companies gain specialization while manufacturing and marketing in this segment. Example: Porsche builds specifically high end, high performance sports cars.

b. Selective Specialization

Businesses select to specialize in several segments. Each different segment is individually targeted with its own respective marketing plan. Risk is diversified among the different product or service lines. For example, record labels push artists towards different genres (e.g., rap or country); each genre has different target markets and each genre is marketed separately.

c. Product Specialization

A certain product is manufactured to be sold in several segments. An example from Kotler, (2003) is a microscope manufacturer that sells microscopes to university laboratories, government laboratories, and commercial laboratories.

d. Market Specialization

Producers focus on addressing needs of a particular group. For example, Boeing focuses mainly on research and development of products for the Department of Defense.

e. Full Market Coverage

A whole market is one that is both targeted and marketed. Only larger established companies can achieve such a task. For example, Toyota is able to provide an automobile for every driver's specific need (trucks, hybrids, compact, full size).

Once the different target markets are selected, organizations can then develop detailed marketing plans to push their product or service. Organizations might consider, for example, targeting markets in a socially-responsible manner to represent the organization and the target markets' best interests (Carr, 2007).

3. Positioning

The strategic positioning of a product or service is vital to survival within your market segment. Kotler, (2003) defines positioning and differentiation strategy as:

> The act of designing the company's offering and image to occupy a distinctive place in the target market's mind. The end result of positioning is the successful creation of a market-focused value proposition, a cogent reason why the target market should buy the product.

> Six different strategies, proposed by Batra, Myers, & Aaker, (1996), available to a organization when formulating a positioning strategy are: (1) attribute or benefit, (2) use or application, (3) product or service user, (4) product or service class (5) competitors, and (6) price and quality.

Most organizations choose to position their products based on the different attributes that their item can offer in comparison to the products or services already within the market segment. This will allow for the organization to strategically market a certain product aspect aligned with the consumer preference for a target market. Organizations must also understand the different position strategies that other competitors in the market posses. Firms must evaluate the differentiations between existing product features in comparison to their own product prior to composing a position strategy. Porsche has recently utilized this example of product differentiation to capture a target market by restructuring their current model line up to include the new four door vehicle "Panamera". Their strategic positioning capitalizes on the consumer demand for a true

sports car with four doors (Kurylko, 2007). Companies must also analyze the possible cannibalization of current product when using the different aforementioned methods of product positioning. For the above example Porsche might take away current sales from their other two door models by introducing a four door.

Repositioning of the current product or service must be performed to make sure that the item is still aligned strategically with consumer preferences. This is performed when products or services become unprofitable or are no longer competitively sustainable. Organizations should also factor in the different research, advertising, and reformulation costs that are associated with repositioning (Hauser, 1988). Once a positioning strategy is selected, managers must start to formulate the marketing strategy that the business will employ.

F. MARKETING STRATEGY

The most critical strategy in a marketing plan is the actual marketing of the product or service (Mullins, Walker, Boyd, & Larreche, 2005). This section provides the decision makers with an overview of the target market, buyer behavior patterns, product positioning/promotion, and profitability.

1. Product Strategy

Products are judged by consumers based on the different features, overall quality, and price. These factors must be taken into consideration during the manufacturing process along with the actual product mix. The mix allows for congruency within the whole product line. Managers must also evaluate the different products to see if they have complementary features. This adds benefit to the item since now it can operate with another product within its segment. Companies with an in depth product mix usually have numerous products with different variations. Each of these variations pinpoints a different target market (Kotler, 2003b; Mullins et al., 2005).

2. Pricing Strategy

Pricing is based on different environmental factors that exist within a market segment. Managers need to look at the competition and price elasticity of demand for the current product. The more exclusive an item then the more control they will have over their pricing strategy. If a product is targeted towards a saturated market, prices will be relatively low and pricing wars will keep prices at equilibrium which results in lower profit. All price strategies relating to elasticity of demand need to analyze the magnitudes of change each contemplated strategy will create. Long run and short run elasticity must also be defined (Mullins et al., 2005).

Organizations must evaluate the current pricing and promotional plans that organizations within their industry are using. This analyzes different cause and affects pricing strategies that could arise due to a change in price charged by both parties. Organizations must also know the price floor that they can compete at and how long they can sustain a price reduction to compete for market share or in response to competitor's actions. Different pricings strategies are developed based on market segmentation such as geographical pricing, price discounts/allowances, promotional pricing, discriminatory pricing, and product mix pricing (Kotler, 2003). After the strategy is implemented, organizations must be able to refine the production process to lower costs and improve quality.

3. Promotion Strategy

Once the product pricing and target market have been identified, a promotional strategy needs to be developed. The constructed plan is similar to the positioning strategy. The overall goal of the promotion strategy is for customers within a certain market segment to gain awareness of your product. However, if the industry is flooded with substitutes the biggest promotional strategy is one that affects price. Example strategies are product launch discounts, coupons, and samplings. Once the market has informed knowledge of the product, it is important to have a contingent promotional plan. This plan will implement new policies once sales increase and product awareness is achieved (Kerin & Peterson, 2004).

G. IMPLEMENTATION

The final step in the creation of a marketing plan is the formulation of an implementation strategy. This plan combines all of the above information into a coherent plan that allows for the knowledge gained from product research to be implemented. As stated by (Mullins et al., 2005), "Managers must design a strategy to for the company's existing resources, competencies, and procedures-or try to construct new structures and systems to fit the chosen strategy". Without a proper implementation strategy, even the best marketing plan will fail.

H. EVALUATION & CONTROL

After the marketing plan has been implemented, mangers need to have evaluation and control procedures in place to monitor the applied production/marketing strategies. Mangers need to be aware of the preset goals and have ways to measure the results. Certain factors to be monitored are sales targets, production capacity, quality, and current inventory levels. With the evaluation of these factors, managers must also have contingent plans for the respective areas. This includes procedures to follow if the plan is weak in a certain area. Task teams can then be formulated to evaluate the situation in depth and then propose a course of action to fix the problem (Kotler, 2003b).

I. SUMMARY

This chapter formulated the outline that will be used to develop the MEM Marketing Strategy and Plan. The outline in this chapter was developed from the proven practices and techniques sourced from academic marketing materials. The MEM Marketing Strategy will combine the academic information with the concepts and best practices of the top business schools discussed in the following chapter to develop the MEM Marketing Strategy.

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III. LITERATURE REVIEW

This chapter aims to highlight portions of the research used to develop the marketing strategy. Research was initiated to determine the best business graduate education schools and their respective qualities and attributes. The curriculum, faculty and marketing activities of these top business schools are presented in this chapter for review. Successful and evolving educational marketing trends such as relationship marketing and the increasing use of the internet to interact with prospective students were discovered that greatly increased enrollments for the respective institutions. Both traditional and corporate universities were analyzed determine the best practices in the graduate education marketplace. The criteria used to determine the best business schools were taken from the prospective student's and their respective sponsor.

A. BUSINESS SCHOOLS COMPARATIVE EVALUATION

When comparing the marketing efforts of the GSBPP to other schools within the marketplace, the authors examined the marketing behavior of first-tier business schools. So, what defines a school as top business school? When selecting schools to compare, one large factor was name brand recognition. The most publicly known schools seemed to also be the best performing schools in terms of executive education. To validate this statement, the top business schools were pulled from different evaluation sources to validate that brand name recognition coincides with the actual ratings from sources such as Business Week, Forbes, and The Wall Street Journal. These different publications used various methods to determine a list of the top fifty business schools inside and outside the contingent United States (Coughlan, Hager, & King, 2007). The results methods are results are described below:

> In order to rank MBA programs, each publication employs different criteria and methodologies, which may include surveys of students, alumni, recruiters, and business school deans, as well as measures of faculty research, the average undergraduate GPA and/or GMAT scores of students, acceptance rates (selectivity), starting salaries and bonuses of graduates, placement percentages, and so on.

Figure 3 below provides a complete breakdown of the specific criteria used by each major publication in formulating its rankings (Coughlan et al., 2007).

Criteria	Publication				
	WSJ	Business Week	Financial Times	U.S. News	Forbes
Student Surveys		X		X	
Recruiter Surveys	X	X		X	
Graduate Surveys			X		
Faculty Published Research		X	X		
Faculty With Doctorate			X		
Employment Upon Graduation			X	X	
Employment 3 Months After Graduation			X	X	
Salary & Bonus Upon Graduation			X	X	X
ROI			X		X
Gender Diversity			X		
International Diversity			X		
Average undergrad GPA				X	
Average GMAT Score				X	
Average Acceptance Rate				X	
Out of State Tuition & Fees				X	
Full-time Enrollment				X	
Applicant Ranking of Credibility	**#1**	**#2**	**#3**	**#4**	**#5**

Source: (Coughlan et al., 2007)

Figure 3. Rankings Criteria

Other methods are also used that take more of a quantitative approach to decide the best MBA programs throughout the United States. These include using different regression models and other analytical techniques to investigate the relationship between the selection of schools and the success of their alumni (Tracy & Waldfogel, 1997). The schools evaluated are the same as those ranked by Business Week, Forbes, and The Wall Street Journal. Based on credible rankings and achieved brand name recognition, marketing programs of first tier business schools were reviewed and analyzed when developing the MEM marketing strategy. This will also assist when determining the

factors the GSBPP should consider when developing its own MEM marketing plan to align with the marketing tool of accreditation.

B. PRACTICES IN MARKETING

1. School Ranking

Many higher education institutions are faced with financial pressure which leads to an imperative need for effective marketing (Ivy & Naudé, 2004). The attractiveness of a first-tier business school can be partially credited towards their marketing efforts. Publications such as Business Week have compiled a list of numerous factors and quantitative information from different schools that are also constituents of their marketing plans. This publication is provided yearly and is a great resource for students when selecting schools. More than 90 percent of graduating MBAs have said that rankings influenced their choice of school more than any other media source, according to the Graduate Management Admissions Council (GMAC) Global MBA Survey (Peters, 2007). Some of the information provided by the survey is the cost of the program, school ranking, programs offered, and also faculty ratings. Along with this information are direct links to the schools' websites. Receiving rankings through publications can be seen as a large marketing tool for schools to exploit. If schools can make it into the first-tier list, they essentially receive brand name promotion at no direct cost to the school. However, indirect costs do go into efforts to become a first-tier business school. One can assume that if students are making their school attendance decisions off of public rankings, then employers will also be looking for alumni from these first-tier business schools (Recruiting MBA candidates a matter of developing a multi-channel campaign, 2007). "The profusion of rankings also means that there is always a criterion according to which a school has done well that can be advertised proudly, whether it be "the greatest diversity" or "highest salary increases for MBA graduates (Peters, 2007)." Table 1 lists the top twenty five executive education schools compiled by Business Week.

Table 1. Top Executive Business Schools

Last proposed top EMBA rankings from Business Week (2005)

1 Northwestern University	14 UCLA
2 University of Pennsylvania	15 IESE Business School
3 University of Chicago	16 Southern Methodist
4 University of Michigan	17 Cornell University
5 UNC Chapel Hill	18 Purdue Universtiy
6 Emory University	19 New York University (Stern)
7 IMD	20 Notre Dame
8 USC (Marshall)	21 Queens University
9 Duke Universtiy	22 Western Ontario
10 Georgetown (Global)	23 Pepperdine University
11 Duke Universtiy (Weekend)	24 Vanderbilt (Owen)
12 Texas-Austin	25 London Business School
13 Ohio State	

2. Organization's Website

"The Internet has changed the way that information is collected and disseminated. Almost every company, educational institution, governmental agency, and not-for-profit organization now has their own website (Elfrink, Morris, & Sarmiento, 2002)." The authors visited the websites of first tier business schools to evaluate what practices they utilized to promote their program. As a general consensus, most schools have their own department that is dedicated to executive education. This department is usually an independent component of the MBA degree program. Some of the contents within the website contain the alumni and also the companies that send their employees to obtain executive education. They also contain information about the course structure and their faculty. When creating a webpage for customer base, it is important to keep the website attractive, interesting, useful and easy for users to navigate (Kotler, 2003b). Also, feedback from end users is critical to improve overall quality and effectiveness of an organizations webpage.

Currently at the GSBPP, there is no easy way to locate areas on our education domain that will allow potential customers to gain knowledge of the MEM program. As

an example within the competitive market, Wharton's School of Business has a direct link to their Executive Education on their homepage. This is also searchable through many internet engines and allows potential customers to locate the business school of their choice literally at their finger tips. For web pages, the most cost comes from creation of the page. When looking at numerous Certified Personal Accounting businesses, costs for monthly maintenance range from as low as $50 to $750 dollars to maintain (Elfrink et al., 2002). These prices are minuscule when you compare them to the return on investment gained from increased product knowledge, new customers, and consumer awareness that can be gained from having a website.

3. Organization's Curriculum

Another important marketing tool that can be utilized is the actual curriculum itself. When analyzing the marketing mix of a given company, the so called 4P's refer to product, price, place, promotion (Ivy & Naudé, 2004). The curriculum and degrees that accompany the course programs are the "products" for executive education market segments. In executive education, course structure can vary from the traditional MBA and undergraduate curriculum to specialized curriculum designed with strategic partners. With specialized course structures, students can partly decide which school to attend based on the actual curriculum that is provided. When looking at the first-tier business school curriculums, commonalities emerge between the different schools. Student courses focus around teamwork and synergy and are usually taught in a case study format. This structure is most beneficial to the students since most are managers with specialized training and experienced. Courses are structured to build upon each student's experiences and current knowledge in their respective areas. Along with custom course offerings, students partake in symposiums hosted by top executives and other guest speakers, offsite fieldtrips, and numerous team building exercises which emphasize globalization and business cultures (Page, Bevelander, & Pitt).

A unique niche that universities such as Harvard and Columbia have been adding to their curriculum is coaching for executive education students. This is an example of how universities have profiled potential customers and tailored their curriculum to attract

a target market. The Wharton School of Business has been noted for their ability to attract top executives to their curriculum. These schools use a computer-based tracking system to lay out goals jointly developed with each student based on what they would like out of the curriculum. During and upon completing the executive program, participants continually update their progress on obtaining the goals (Speizer, 2005). Not only do the schools see the results, but the employers can as well. This helps for continual feedback on the curriculum and allows for on the spot changes when necessary. Curriculum can be the most attractive marketing tool utilize by business schools. To borrow a phrase from W.P. Kinsella, "If you build it they will come". Table 2 is a compiled list of general curricula emphasized at top tier business schools.

Table 2. Curriculum Emphasis (Business Week, 2005)

School	Curriculum Emphasis	School	Curriculum Emphasis
Wharton	Leadership Ethics Management Communication	Duke	Finance Marketing Management Effectiveness
University of Michigan	Finance General Management Leadership Organizational Behavior	Yale	Strategy Public Policy Leadership Finance Health Care Administration
Purdue	Finance Human Resource Management Manufacturing and Technology Management Marketing	Pepperdine	Ethics Entrepreneurship Strategy International Business Leadership
Northwestern	Entrepreneurship Finance General Management Marketing Strategy	University of Chicago	Accounting Economics Finance General Management Marketing
Duke	Finance Marketing Management Effectiveness	Columbia Business School	Entrepreneurship Finance General Management International Business Leadership

4. Organization's Faculty

"Because of the higher levels of experience in the delegates, schools tend to front their most senior faculty and best teachers" (Page et al.). Data has been gathered from numerous MBA schools and analysis indicates that programs which pay high faculty

salaries attract significantly better quality students. This in turn creates more value for the students (Tracy & Waldfogel, 1997). This can lead to the use of faculty in executive education programs as an effective marketing. The largest costs for schools stems from obtaining the best faculty possible. Not only is faculty in charge of educating the student, they also conduct research in their current academic fields.

An excellent faculty impacts the institution's accreditation. Schools receive a portion of their rankings from the research that their faculty produces. In order for the faculty to appeal to prospective students, the research accomplished by the professors must relate to the interest of their students (Tushman, Fenollosa, McGrath, O'Reilly, & Kleinbaum, 2007). At business schools such as Wharton and Harvard, students actually assist in the research of the professors working side by side as colleagues.

5. Relationship Marketing

According to Dr. Shaik, "Relationship marketing refers to all activities directed to establishing, developing, and maintaining successful long-term relationships with the students and other stakeholders. The emphasis is on relationships based on mutual trust and commitment. Building and managing relationships are the underlying facets. It is about transforming students into loyal alumni (Shaik, 2005)." Relationship marketing is a "marketing state of mind" that exists throughout the institution to market their educational services and products (Shaik, 2005). In Dr. Shaik's analysis, he explains the difficulties of relationship marketing in educational institutions:

> Even though there are similarities between marketing of products and services, yet because of the special characteristics of educational services it is not recommended to blindly apply marketing strategies developed for manufacturing products. Marketing of educational services is about interactions between the institution and the students that form the basis of a process of relationship building. Management of educational services is the management of this relationship processes. It is more complex then managing products because products can be standardized whereas it is difficult to standardize services due to a large number of staff involved with a host of services. Conceptually the complete chain of activities is coordinated and managed as one large process. The goal is to create a non-imitable bundle of services to the student (Shaik, 2005).

In addition, Dr. Shaik explains the critical role that faculty can play in the marketing process for an educational institution. Although the traditional marketing process may be filled with the full-time marketers, part-time marketers such as student services staffs fill a critical role in shaping the perception of the educational institution. Faculty can become part-time marketers if they perform a secondary role with their customers with a "marketing attitude (Shaik, 2005)." The goal of these marketing roles is to engage the students in the recruiting process and during their enrollment and convince them to establish a long-term relationship with the educational institution (Shaik, 2005).

"Corporations are moving away from mass marketing to relationship building strategies and education institutions can benefit from this experience. Having internationally renowned faculty teaching courses is not sufficient for gaining competitive advantage. Quality teaching has to be supplemented by quality supporting services by staff with a marketing attitude to maintain long-term relationship with the students (Shaik, 2005)." Relationship marketing offers an efficient way to attract more customers and have a balanced focus on student recruitment and retention.

6. New Technology in Educational Marketing

The 422 Group is a technology and professional service company that provides consulting to colleges and universities. According to the 422 Group, there is an increased demand for immediate, personal interaction from prospective students. Institutions are using Web sites, email campaigns and personalized portals to reach out to students, but this in turn has created a large demand for interaction that may be over-tasking the university's marketing and administration's staff and budget. The article warns if institutions start an active marketing campaign via electronic websites, slick articles, and email campaigns, they need to be ready to respond to the increased demand that they are creating (422 Group, 2004).

Email campaigns are showing the best results and have passed traditional mailings as the best way to reach prospective students. Cost savings using email are high compared to print mailings and the ability to change and tailor the university's marketing plans quickly were noted as the reasons for favoring email campaigns. For universities

with robust marketing and administration staffs, email was the best way to establish an electronic relationship with prospective students (422 Group, 2004).

In addition, recruitment is starting earlier and ending later. Students have a wealth of information from university websites and third party sources. This has forced universities to solicit and respond to prospective students and maintain marketing relationships with them over a longer period of time. Universities are also discovering that significant follow-up email contact with admitted students are required to "close the deal" in the new age of financial aid bargained by students (422 Group, 2004). In another example, while researching business programs at Villanova, accessing their website automatically brought up an online chat and recruiter to ask if there were any questions. Marketing is becoming faster indeed.

Universities are responding to the change in marketing technology by outsourcing many of their marketing and technology needs with regards to student recruitment. According to a study by the 422 Group, technology vendors are providing the following services to universities (422 Group, 2004):

- Online data collection—through inquiry and application forms
- Overall prospect communication management
- E-mail campaign management/tracking
- Data mining/interpretation
- Document imaging/storage
- Admission-related Web content management

However, email is the driver in their marketing campaigns. In the study conducted above by the 422 Group, institutions are using e-mail in a strategic manner to support recruitment and admission. Eighty percent indicated that outbound e-mail campaigns would continue to be the primary communications strategy to support their prospecting activities (422 Group, 2004).

Lastly, there has been substantial research on the use of geo-demographic-based modeling services that allow universities to identify and target a particular type of student early in the recruitment process. Some universities are beginning to use this technology simply to target those students who will apply and enroll into a university. Many other universities are using to the technology to enhance their selection process by identifying specific student types, (female science majors, high achieving minority students, etc…) that can be used to shape their enrollment population (422 Group, 2004).

C. SUMMARY

This chapter discussed the best practices of the top MBA business schools and its subsequent comparison to the GSBPP. The tools used by these top business schools, such as their website, curriculum, faculty and relationship marketing activities were presented. This chapter closed with a discussion of the new technologies in educational marketing and the best methods to market to prospective students using non-traditional marketing media. This academic review and concepts introduced will be used to develop the MEM Marketing Strategy detailed in the next chapter.

From the research accomplished in this chapter, several significant factors were discovered that greatly increased the marketing successes of the educational institution:

- **Quality of the educational product and its ranking as an institution is the most important attribute that determines the success of the program**
- **The educational institution's website and its functionality are increasingly important to provide information to prospective students.**
- **Relationship marketing is crucial developing rapport with prospective students.**
- **The strategic use of email is a cost-effective means to market the educational product.**

IV. MARKETING STRATEGY

This chapter opens with a proposed mission statement and goals for the MEM program. A performance review of the MEM program is discussed followed by a detailed situational analysis. This information will be used to develop and refine the potential target markets and marketing strategy. The implementation strategy will follow to describe the most effective means to market the MEM program. Evaluation and control concepts will be described to conclude this chapter.

A. STRATEGIC FOCUS

1. Mission Statement

NPS should strategically align their mission statement along with strategic goals of both the Naval Postgraduate School and the GSBPP. Based on research and analysis of the target market, the following mission statement is proposed:

> The MEM program provides inimitable graduate education to junior field grade officers and executives with a strategically-focused curriculum that analyzes and researches the business challenges faced by the military services and defense industry. The MEM program prides itself on producing cutting edge research applicable to the work of the Department of Defense while efficiently utilizing the government and tax payers' contributions.

2. Goals

Organization goals (Internal & External)

- Continually exploit different markets for student base
- Actively promote the MEM brand in all aspects of our organization

- Cutting edge research available and tailored to faculty, DoD, and student interests
- Produce an inimitable product through executive education

3. Sustainable Competitive Advantage

The MEM program at NPS should develop a competitive advantage based on their proposed marketing strategy. This would entail the organization to rely heavily on their product positioning as well as superiority on one or more of their marketing mix components (Mullins et al., 2005). This could be seen as a process innovation for the MEM program since there is effort to refine and improve the current strategy that is in place marketing the MEM degree (Barney, 2002). As stated earlier, organizations within the market segment have begun to transition into a more relationship based marketing style within the executive education segment. Relationship marketing offers an efficient way to attract more customers and have a balanced focus on student recruitment and retention. It also allows for a strong alumni chain, possibly increasing future enrollment numbers.

The following questions were developed by Dr. Jay Barney, (2002) of The Ohio State University for use by organizations when re-evaluating their strategies and competitive advantage positions: (1) The Question of Value: Is the firm able to exploit an opportunity or neutralize an external threat with the resource/capability; (2) The Question of Rarity: "Is control of the resource/capability in the hands of a relative few"; (3) The Question of Imitable: "Is it difficult to imitate, and will there be significant cost disadvantage to a firm trying to obtain, develop, or duplicate the resource/capability"; (4) The Question of Organization: "Is the firm organized, ready, and able to exploit the resource/capability."

These questions provide for a continual improvement evaluation process for the MEM department to utilize when evaluating current advantages within the market. They will also help to provide basis for the MEM department while evaluating their scope of operations and competitors positions within the market segment.

B. PERFORMANCE REVIEW

1. Past Performance

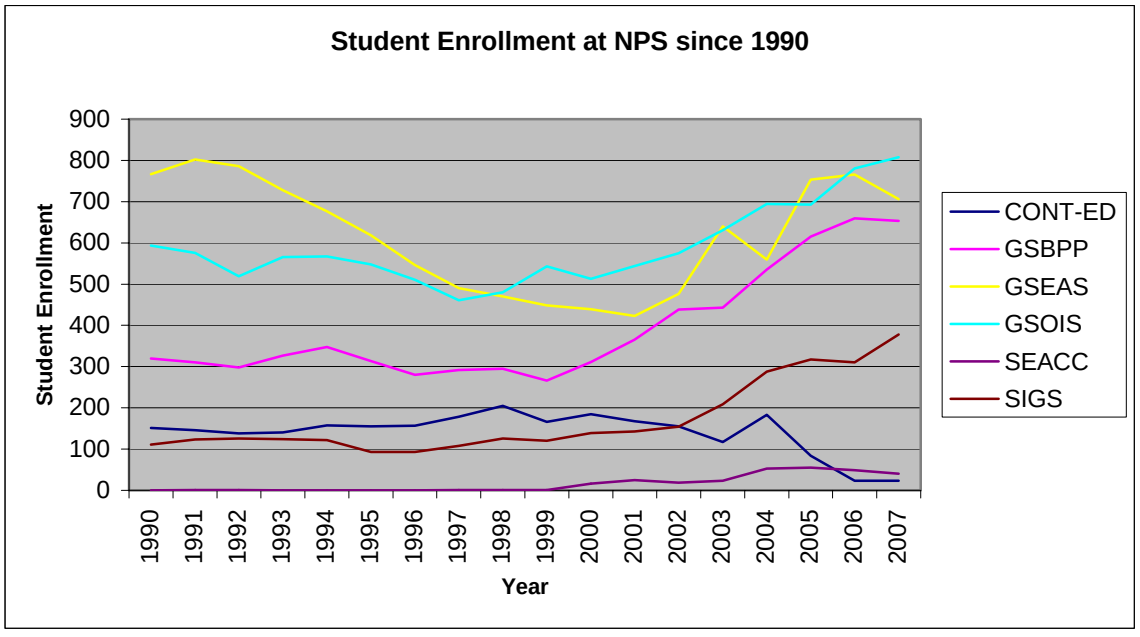
The enrollment of students in the MEM program has not met the expectations of the Academic Advisor and none of the current students represent the initial target market for the MEM program at its conception (Moses, 2005b). Furthermore, the resident MBA degree program continues to dominate the enrollment at the GSBPP in 2007 and no IDE students were selected at the HQ USAF staff level of decision making to attend the GSBPP for FY08 & FY09. Caution should be used in this analysis due to the fact that the MEM program remains an initial startup curriculum and a broad, long-term history of performance does not exist to develop a more accurate critical assessment of the curriculum and its results to date.

One issue that may have hampered the success of the MEM program is the GSBPP's concern that the MEM program could cannibalize students from the resident MBA program discussed in Chapter I (Moses, 2005a). When the MEM program was in development, considerable discussion was generated about the possibility that program sponsors may elect to send their students to the MEM program due to its shorter time length, and thus a less expensive option for the military services. The discussion documents analyze in detail the possibilities that the MEM program may cannibalize several different groups of students by service. Our analysis of these documents suggests the GSBPP has a myopic focus on the MBA program and no external, marketing approach to its excellent programs. Concern was noted about naming the MEM program with a "MBA" name and resultant dilution of the MBA brand image with the shorter degree curriculum. In addition, there was minimal discussion toward the potential enrollment expansion of a shorter, more focused graduate degree program (Hudgens, 2005; Moses, 2005).

Despite the progress and efforts to develop the MEM program, the GSBPP does not appear to fully embrace the curriculum. On the GSBPP's website, the MEM program is not listed under the current curriculums available for study. In addition, in the GSBPP

Strategic Directions draft published in July of 2007, the MEM program is not mentioned. This is not unusual in graduate education institutions. As noted in a study by Rahm and Reed (DesJardins & Kohmuench, 2001), shifts from traditional resident programs to distance learning or other solutions to meet customer's needs are not fully embraced by the faculty. In fact, most of the progress made in other solutions to residence programs is pushed by external actors and administration well aware of the cost savings non-traditional degree programs provide (DesJardins & Kohmuench, 2001). In the case of the MEM program, it has the potential to provide quality education to its customers at a reduced cost, yet this potential has not been fully exploited.

More troubling is the enrollment trends for the GSBPP. As noted in Chapter I, Air Force student enrollment is declining due to budget cutbacks and a shift in priority for Air Force graduate education programs (Hudgens, 2007). An analysis of the enrollment trends for the GSBPP is provided in the figure below:



Source: (Horvath, 2007)

Figure 4. Student Enrollment Trends at the Naval Postgraduate School

The GSBPP has enjoyed a tremendous growth in enrollment since 1999 (Horvath, 2007). However, the enrollment trends have leveled off in recent years and are expected to decrease after the large graduating class of Air Force students in December 2007.

2. Prior Marketing Plan

There was no previous marketing plan initiated by the GSBPP for the MEM program and no other GSBPP marketing plan has been developed to use as a reference for integration. The GSBPP Strategic Directions draft published in July 2007 considers the creation of a comprehensive marketing plan for instructional programs an external strategic action (GSBPP, 2007). Although not developed to date, it aims to identify the fit between the GSBPP "brand" programs and opportunities. The Naval Postgraduate School does have a marketing program aimed at communicating the vision and strategic initiatives of the institution.

C. SITUATION ANALYSIS

1. Strength, Weaknesses, Opportunities, & Threats

This project identifies the strengths, weaknesses, opportunities and threats for the MEM program and GSBPP. A significant effort was accomplished by Coughlan in the case study about the GSBPP MBA program (Coughlan, Hager, & King, 2007). The results of Coughlan's SWOT analysis are show below and directly apply to the MEM program.

Strengths

- Highly motivated and mature students with significant professional experience
- Growing service diversity in resident programs
- A diverse faculty from a wide variety of disciplines and experiences
- Senior military officers and civilian equivalent faculty members that provide program relevance
- Sponsor-focused student-centered programs
- Customized high quality academic programs driven by sponsors' needs and defense relevance

Weaknesses

- Involving non-DoD organizations in the School
- Geographic separation and isolation from Washington, DC
- Excessive faculty workload to support innovative programs
- Inconsistent instructional and research priorities due to constantly changing senior military leadership
- Bureaucratic rules and processes inconsistent with an innovative academic environment

Opportunities

- High demand for distance learning and off-campus programs
- Untapped opportunities to develop programs for government civilians
- Partnership opportunities with other business and public policy schools
- Short courses and certificate programs as part of life-long learning
- Research opportunities in a constantly evolving defense environment

Threats

- Continual pressure to reduce the Navy's infrastructure
- Limited ability of officers from some career fields to participate in resident programs
- Constrained defense resources in the near-term and possibly beyond
- Senior military decision makers under-valuing unique, defense-relevant educational programs
- Navy and NPS bias toward science and technology
- Expanding competition from other institutions (resident, part-time, distance learning, etc.)

(Coughlan et al., 2007)

Figure 5. GSBPP SWOT Analysis

Based on the research of this MBA project, the SWOT analysis for the MEM program is presented below. The results of the MEM SWOT analysis is summarized in a table and the conclusions are discussed following the description of each individual SWOT item:

a. Strengths

Strength – Business schools are under great pressure to focus on short-term business practices (Coughlan et al., 2007). With its current curriculum, the MEM program focuses more on the general requirements of an MBA. Specialization courses are offered, but they are more limited in scope compared to the MBA program in the GSBPP. However, the specialized training offered by the MEM degree are defense-

focused and offers the military officer and civilian student a significant advantage in the defense environment compared to their peers receiving graduate education at traditional institutions.

Strength – The MEM program can be coupled under the GSBPP second tier ranking for its Public Policy programs. This ranking is a significant strength due the importance of rankings to students when selecting the institution for their education (Coughlan et al., 2007). Although the GSBPP is not ranked in the top tier of universities, schools such as Baylor University have made their desires to become a top-tier institution very public and a pillar of their marketing strategy as schools on the move up to prospective students, alumni, and strategic partners (Balmer, 2002). The MEM program could use its second tier status as a cornerstone of its marketing strategy to attract student enrollment and selection.

Strength – Air Force IDE students have different needs than 18-month students (Moses, 2005a). As discussed earlier, Air Force IDE students potentially arrive to the GSBPP with more experience and specialized education. Many IDE students may arrive with one or more graduate degrees already. With the MEM program and its focused curriculum, the number of course validations may be reduced resulting in a more valuable utilization of student time away from their primary duties in the operational and support work environments. In addition, with a more senior cohort, coursework could be tailored to the executive needs of the students to extract the most value from cohort classroom communication and analysis.

Strength – Corporations and institutions value MBA graduates because of their abilities to think strategically (Coughlan et al., 2007). This is a significant strength of the MEM program due to its current curriculum and its potential with more student enrollment to create a separate, more senior and experienced cohort of students in the GSBPP (Moses, 2005b). A strategically-focused curriculum combined with a more experienced cohort to analyze issues and problems represents a significant potential strength compared to traditional educational institutions and the current MBA program in the GSBPP.

Strength – The MEM program offers a quality education with tuition rates much lower than the traditional education institution. This assumes that the MEM program remains a resident degree program and that salaries are paid to all MEM students from their respective sponsors. No analysis was undertaken to evaluate the overhead costs of NPS compared to its civilian counterparts. Regardless, the tuition of the MEM program delivers a graduate education to the student at one-fifth of the cost of the first-tier schools as ranked by U.S. News and World Report. Examples include total tuition rates from $73,000 at the University of Texas to nearly $100,000 at Cornell (Cornell University, 2007), (University of Texas, 2007), (U.S. News & World Report, L.P., 2007).

Strength – The MEM program offers the sponsors and students more hours of teaching per year compared to the traditional education institutions, and thus more subjects are covered (DesJardins & Kohmuench, 2001).

Strength – Only four IDE educational programs offered to military officers are longer than one calendar year (AFPC, 2007). The MEM program may become a more viable solution to the service staffs seeking to maximize the budgetary value of advanced education. One year resident education programs offered to military officers are viewed as a paradigm in the military services beyond the basic graduate education opportunities offered at NPS and AFIT (Bridgman, 2002). The MEM offers a quality degree that competes directly against other education programs and offers an advantage against foreign education programs based the lack of language educational requirements

Strength – The Center for Naval Analysis in 1998 suggests that a more general education may be sufficient in educating the officer corps in place of the current curricula at the NPS (DesJardins & Kohmuench, 2001). This suggestion by the Center for Naval Analysis is consistent with a great strength of the MEM program: its core MBA education requirements and limited specialization. If the core requirements are indeed sufficient to educate the mid-level officers, then the MEM program may become the more efficient curriculum in the GSBPP.

Strength – The Center for Naval Analysis in 1988 states that curriculum sponsors may be adding curricula content and program length without an analysis of the costs incurred (DesJardins & Kohmuench, 2001). The MEM program may be a viable alternative to the MBA program with its more streamlined curriculum. Specialized education and training could still be offered to students based on need, but a shift to a MEM-based curriculum for the MBA program and identification of the costs incurred for additional training may counter these arguments. Regardless, the MEM program is the more efficient curriculum to the Center for Naval Analysis and its potential sponsors.

Strength – The MEM program offers the military and civilian students the opportunity to learn in an environment with allied and international officers (DesJardins & Kohmuench, 2001). Also, class sizes and student ratios are favorable with a 5-1 student/teacher ratio. Civilian institutions cannot match the curriculum, cohort, class sizes, and research opportunities of international officers joined with US students in the classroom. This is an incredible strength that should be communicated in the Marketing Plan. The recruitment of foreign officers into the MEM program should be undertaken to maximize this advantage.

Strength – The MEM faculty in the GSBPP is outstanding and very experienced in the defense industry. No other civilian education institution can match the depth of experience and scholarship of the GSBPP faculty regarding defense education. The GSBPP has been noted for its expertise (Honegger, 2007).

b. Weaknesses

Weakness – GSBPP is inadequately funded (Coughlan et al., 2007). This weakness is significant due to the difficulties it is to attract and retain outstanding faculty with the government salary limitations in the GSBPP. The infrastructure taxes levied on the GSBPP from the NPS administration also takes away from the resources available (Hudgens, 2007). More important to the development of the MEM marketing strategy, the GSBPP is dependent on Government funding, as discussed in Chapter 1. Whereas the traditional institutions can rely on a more widely disbursed funding base, the GSBPP is dependent on the decisions of the military services and the DoD for annual funding

decisions. With its current student base heavily dependent on military students, the GSBPP finds itself in a financial situation very similar to the Defense contractors that it studies and researches in its curriculums. Variances in military spending directly impact the GSBPP. This may seem obvious due to the institution's existence as a Naval institution. However, the EMBA program has a significant portion of civilian students (Horvath, 2007). If this proportion of students is increased, the variances in student enrollment could decrease.

Weakness – The MEM program does not meet the needs of the other services such as the US Navy. The Navy needs both the MBA fundamentals and rigorous specialization courses for its military officers (Moses, 2005a). While the MEM does offer a limited amount of specialization courses, it may be difficult to market the program to its primary sponsor and namesake.

Weakness – The MEM is a non-standard name for a degree given in graduate business education. The MBA degree awarded from the GSBPP is becoming a known "brand" with National accreditation. The EMBA is also a known "brand" with increasing enrollment targeted to URL officers in the Navy. Due to the concerns of cannibalization of these existing programs, the MEM name was adopted. The MEM name suffers from a lack of brand awareness, despite the fact that it shares the core curriculum with these two programs. The MBA "brand" is more popular to prospective students (Coughlan et al., 2007; Hudgens, 2005; Moses, 2005). A name change for the MEM program may increase the enrollment potential for the program to the other services and potentially to civilian students as well.

Weakness – Total costs to send officers to NPS are too high and is no longer competitive with civilian post-graduate schools (DesJardins & Kohmuench, 2001). This is true only when comparing the overhead and tuition costs of the GSBPP to the tuition-only costs of outsourcing graduate education to civilian educational institutions. However, the research and analysis gained may be of more value to the services according to Professor Bill Gates, the Associate Dean for Research at the GSBPP (DesJardins & Kohmuench, 2001). Regardless, the pursuit of contracting out services to save overhead remains prevalent in the military. Whether it is Information Technology

support, consulting, or base services, there remains considerable pressure to eliminate government positions and hire non-government civilians to perform the same function. Graduate education is no different. Considerable effort must be taken in the MEM marketing plan to counter these views and communicate the value of an organic graduate education program to the military services and defense contractors willing to send students to the MEM program.

Weakness – The Marine Corps values the technical portions of 18-month MBA program rather than the proposed 12-month MEM program (DesJardins & Kohmuench, 2001). Although the potential of adding Marine Corps students still remain through cannibalization of the MBA program, the 18-month program is the primary educational instrument to prepare its officers for their next assignment. The Navy, as stated in Chapter 1, values the technical portions of the GSBPP MBA program and through their sponsors and curriculum advisors, direct the content of the MBA curriculum.

c. Opportunities

Opportunity -- The MEM program exists in a military environment that offers substantial cross-talk and communication opportunities to the students in a diverse cohort outside the baseline curriculum (DesJardins & Kohmuench, 2001). From the authors' standpoint, the ability to learn about the practices, procedures and lessons learned from the students in the cohort are extremely valuable. A strong opportunity exists for the MEM program to enhance this value by creating a separate, more senior cohort to analyze strategic issues with a more experienced base of knowledge from the student base.

Opportunity – The MEM program, with its current curriculum that is attractive to its Army and Air Force sponsors, could become the primary business-related degree at NPS (Moses, 2005b). Sponsors that seek more specialized education could continue to send their students to the 18-month MBA program. A separate analysis could be undertaken to determine the potential student enrollment gains from other services when shifting strategically to a primary one-year MEM degree with the 18-month option.

This would include changing the MEM program name to a MBA degree. This is not uncommon in civilian institutions such as The Kellogg School of Management at Northwestern University and the University of Notre Dame (U.S. News & World Report, L.P., 2007). Both universities offer both a one-year and two-year MBA. This analysis should also include the possibility of expanding the MEM program to a 15 month program with a MBA project requirement as well to capture the benefits of student/advisor research.

Opportunity – The MEM program offers the potential student a military and technical relevance of courses, theses, and curriculum content that sets it apart from its civilian educational institutions. This strength has been stated before, but according to Professor Bill Gates, it's the analysis and research products that directly impact the DoD that truly give value back to the military services for sending their students to the GSBPP. If the MEM considers the possibility of adding a project requirement to its curriculum, its value to the military services could increase. In addition, a marketing plan that astutely communicates this value increases the competitive potential of the MEM program against its educational competition in the military services.

Opportunity – The Global MBA Applicant Survey (2006) indicates the main reasons that graduate students pursue graduate business education (Coughlan et al., 2007). This survey provides a significant opportunity to shape and focus the marketing plan of the MEM program. The MEM program offers many of these benefits to prospective students and their sponsors. This survey could potentially provide a framework for future marketing efforts aimed at enhancing the MEM brand image and awareness.

I am pursuing graduate management education because it will…	Percent Indicating "Very True to Me"
Provide opportunities for more challenging/interesting work in the future	67%
give me a sense of personal satisfaction and achievement	61%
be a part of my planned career development	59%
improve my long term income and financial stability	57%
allow me to remain marketable (competitive)	57%
allow me to obtain the professional credentials I need for advancement	56%
provide me the right connections to get a good job in the future	46%
help me develop the skills necessary to do my job	46%
allow me to transition from my current career path to a new one	41%
help me to develop the confidence I need to succeed	40%
help me achieve my goal of starting my own business	34%
allow me to change occupational area	31%
help me get the respect I deserve at work	26%

Source: Global MBA Applicant Survey, 2006

Figure 6. Reasons that students pursue a MBA degree

Opportunity – In addition to this analysis of the motivations to pursue graduate business education, the criteria students used in determining which Business Schools to apply to or attend is shown below. These criteria could be used when developing marketing information to the customers of the MEM program.

Criteria	Percent Identifying
Quality/reputation of the school	75%
Quality/reputation of the faculty	66%
Prestige or global recognition of the school	64%
It is an accredited program	62%
The school's reputation in placing graduates in jobs	60%
Career options available to graduates	58%
Financial cost of school	56%
Availability of scholarships, grants or other financial aid	55%
Published rankings of its graduate management program	52%
Improved chances for an international career	51%
School offers the specific curriculum I wanted	49%
The students and faculty have diverse backgrounds and experience	49%
School offers a practice-oriented education	44%
Cost of living is affordable	43%
Reputation of alumni	43%
The school is close to employment opportunities	38%
Convenient class schedules	37%
The school is close to home or work	29%
The school provides the opportunity to learn/improve a foreign language	26%
There are people like me at this college or university	25%
The school is in an exciting city	23%
My employer will pay for my education at this school	18%
Personal experience as an undergraduate	18%
Other	4%
Responses may add to more than 100% due to multiple selections.	

Source: Global MBA Student Survey, 2006

Figure 7. MBA selection results

Opportunity – The GSBPP recognizes that the MEM program may present a viable opportunity to expand the student base from other sponsors (Moses, 2005b). The MEM is currently a one year program that may become attractive to existing sponsors and additional sponsors outside of the military services. This one year curriculum allows the sponsors to send their students at a reduced tuition cost and more importantly, less time away from their military operational and support duties. A one year curriculum also may be more attractive to defense contractors who may choose to send more of their junior executives to a resident program with their military counterparts in the acquisition environment. One year programs reduce the salary impact to the sponsor compared to the 18-month MBA program at NPS. If the acquisition certifications are desired by the

sponsor for the student, the 18-month MBA program may be the better alternative solution based on the significant days of temporary duty required to achieve the equivalent DAWIA certifications at the Defense Acquisition University. Regardless, most of the MBA programs surveyed offer programs that are 24 months in length (U.S. News & World Report, L.P., 2007).

Opportunity - Enrolling in the MEM program gets a service commitment from every military student. This is true for every graduate education program that a student enrolls in whether it's a military or civilian educational institution. However, the true marketing potential of the service commitment is the potential of the GSBPP and MEM graduate. NPS does have an Alumni Relations Office that works with our Alumni on a regular basis. However, the alumni relationships with NPS are not comparable to the robust alumni organizations of traditional institutions such as Harvard (HBSCNY, 2007). Existences of organizations such as the Harvard Club of New York City generate marketing opportunities for its business school.

In another example to describe the potential marketing opportunities of the service commitment required by its military officers can be explained by evaluating the former Arthur Andersen, LLP. Arthur Andersen's philosophy for recruitment was to hire a substantial amount of recent college graduates to become staff members in the firm. Arthur Andersen would rigorously train its young employees in its practices and methodologies and use their manpower to provide accounting and consulting services under the supervision of its managers and partners. However, only a small percentage of its young hires would continue to work for Arthur Andersen after a period of several years. Arthur Andersen had a robust job placement program for its young staff. The firm's philosophy was to secure employment for its young staff with current or potential customers. The goal was to place Arthur Andersen "graduates" in the industry in efforts to continually create and maintain demand for Arthur Andersen's services (Squires, Smith, McDougall, & Yeack, 2003).

By marketing the MEM program and potentially increasing student enrollment, the GSBPP potentially gains more students. However, there is some risk of cannibalization from the 18-month program if marketing activities succeed. Establishing

a strong relationship with its alumni potentially fuels more support and research opportunities for the GSBPP. More importantly, GSBPP alumni are good marketing sources for its programs. With an efficient and rewarding educational experience from the GSBPP, the student may also be more likely to stay in the service beyond the current commitment if allowed to continue. This further creates later demand for programs such as the Executive Education Program.

d. Threats

Threat – According to Air Force Instruction 36-2302, Professional Development, officers selected to complete graduate education will complete this education in-residence at AFIT (exceptions must be approved by USAF/DPDE). The existence of a competing graduate institution in the Air Force represents a significant threat to the GSBPP and MEM program. Although the SECAF and SECNAV have agreed that only the GSBPP would offer acquisition graduate education programs, it would be unreasonable to assume that this agreement is permanent. With the overhead costs of sustaining an accredited graduate institution, a shift in service student enrollments is always subject to change. For example, the Secretary of the Navy and Air Force who forged the above described agreement are no longer the respective Secretaries of their services. Agreements change with the rapid succession of senior leaders in the military services. Just as the shift of budgetary funding directly affects the GSBPP, the shift in military leadership can change the student enrollment dramatically, and very quickly (Hudgens, 2007). As noted above, Air Force student enrollment overall is dropping dramatically (Hudgens, 2007).

2. Summary

The following SWOT summary table has been developed to assist in the support of a marketing plan for the MEM. Information has been compiled from various sources cited within this paper along with components that are unique to the GSBPP and the MEM.

Table 3. MEM SWOT Summary

Strengths
• Specialized training along with defense-focused curriculum
• Program condensed into 12 month course program
• Synergistic cohort from student body composed of senior members
• Curriculum strong on "strategic thinking" due to faculty and curriculum
• Lower tuition rates in comparison to similar schools w/ same course structure
• Gained learning curve in DoD education
• Student to teacher ratio very good (5-1 respectively)
• Research opportunities are not imitable due to security restrictions
• Cohort can be composed of international opportunities allowing for true jointness
Weaknesses
• Inadequate marketing/promotion
• Inadequate separate MEM specific funding
• Potential cannibalization from other course programs (MBA, EMBA)
• Excessive faculty workload
• Dependent upon suppliers power of providing students
• MEM does not meet needs of all potential customers
• No specific brand name recognition in for "MEM"
• High total cost to send military (Salary, Housing, Opportunity Costs) • Course length not suitable for all DoD services
Opportunities
• Niche exists within market segmentation for shorter defense acquisition degree
• Marketing opportunities with GSBPP accreditation, reputation, and ranking umbrella
• Low switching costs between faculty to and from GSBPP to MEM
• Value creation from placing experienced service members into a single cohort
• Specialized defense-focused executive course structure
• Exploitable prospective customer base from Defense contractors
• Executive education institutions focused on military defense is small
• Increasing need for executive education in all organizations
Threats
• Highly susceptible to government budget/finance issues
• Limited resources (students) within DoD
• AFIT and similar institutions
• Other civilian institution offering defense focused degrees

3. Conclusions

To gain market share within the executive education market, the MEM program needs to fully understand its strengths, weaknesses, opportunities, and threats, with the main strength being the organization's ability to specialize its course structure (Barney, 2002). This will allow for the organization to tailor its specific program to meet the needs of their target niches. Exploitation of these target customers include being able to tailor the MEM program to the exact specifications being dictated by the market. The MEM flexibility will allow for quick changes in course curriculum along with speedy changes to the actual course structure itself. This is a challenge to other universities that target broad markets and have larger customer pools with their own unique needs. With MEM's actual target customer being the defense industry itself, the personal curricular needs of the students are not a major priority. Another notable MEM organizational strength is its methodology when grouping students in cohorts. Universities within the executive education market segment, allow for like minded people to work together with people of similar backgrounds i.e. business or law (Wharton, 2007). The MEM can place hand-selected individuals into a single cohort who will greatly add value to the course curriculum and team building exercises. This synergy would be lost if defense-related students are grouped with students from other areas or expertise.

As stated by Anderson (2005), "companies want programs that are more industry-specific than what most business schools teach." However, there is no degree granting program for executives within the defense education providers other then the MEM program. This is a strength that could be turned into a competitive advantage along with the prospect of coupling the MEM program under the same brand image of the GSBPP. This branding would allow for the MEM organization to fall under their second-tier rating, allowing for brand image marketing possibilities.

The MEM organization also needs to realize what current weaknesses they posses. Currently, the main area of concern for the MEM program is the issue of funding. With the student sponsors being the Department of Defense, as the supply of students decrease due to funding and budget constraints, sources of funding will decrease

as a result. This allows for the government to have a large amount of supplier power and influence over the MEM program. Decreases in funding also lead to decrease in faculty and secondary effects such as budget cuts within the department. Both in turn lead to disadvantageous appeal when trying to market a program or create brand awareness. Another weakness that should be analyzed is the cannibalization of other programs. The separate MEM program can potentially take students out of the regular GSBPP course track (Moses, 2005). Also, since the faculty is the same for both programs, it can be taxing on the instructors if they have to still teach both programs.

Within the MEM program there are many apparent opportunities. Industry has already dictated the importance of specialized executive education (Cole, 2000). Since most schools have not yet designed a curriculum strategically designed for military personnel, this is a large opportunity for the MEM department. It is suspected that public and private universities will face large barriers to entry while designing a defense only curriculum. This barrier will occur since a defense only course will limit who they take as students into the curriculum. Costs associated with getting the required defense related faculty, training, and certifications will also be a high cost barrier to overcome. Also, since the program has already been implemented, there should be some learning curve associated with running the program and other organizational operations. The MEM program will also know the exact criteria being expected from the target market. This first hand knowledge will allow for the flexibility when realigning the course structure with the customers needs (Kerin & Peterson, 2004). This constant realignment and change can possibly result in an inimitable business strategy leading to a sustained competitive advantage. Another opportunity would be for the MEM program to utilize the rankings, faculty, and tier accreditation that is associated with the GSBPP. This will allow for even more brand awareness to be carried over into the MEM program since more people are familiar with the GSBPP and this is where effective relationship marketing can be utilized. These rankings and increases in brand awareness could possibly attract other target markets such as contractors within the defense industries creating an opportunity within itself.

When looking at opportunities, it is imperative to understand what threats exist to the MEM program. As earlier discussed, budget and financial threats will always exist since the primary customer is the department of defense. Just as the shift of budgetary funding directly affects the GSBPP, the shift in military leadership can change the student enrollment dramatically, and very quickly (Hudgens, 2007). Contingent plans should be in place to handle these budget issues. On a broader scope, threats from other institutions offering similar defense executive degrees should be further analyzed. As of now, there exists little threat from other government organizations due to the agreement signed designating students only to NPS. However, the length of this agreement is not dated. This threat of market saturation can be effectively avoided if marketing efforts are begun and efficiently practiced throughout the MEM program.

4. Effective Goals

The three goals set forth in the development of this marketing strategy for the MEM degree are stated hierarchically:

a. Determine the MEM Program's Potential Target Market

The MEM program was developed for a specific target market aimed at senior Air Force officers selected for the IDE program. Extensive analysis was undertaken to identify if an expansion of this target market is feasible.

b. Increase MEM Brand Awareness to its Customers

The MEM program currently suffers from a lack of brand awareness due to a lack of acceptance and promotion in the GSBPP and the unfamiliarity with the MEM name in the graduate education industry.

c. Increase Student Enrollment in the MEM Program

Implementation of this marketing strategy may provide for an increase in enrollment of the MEM program which is its ultimate goal.

5. Industry Analysis

a. Potential Entrants

Potential entrants into the executive education market segment need to be evaluated to understand the current threat from rival entrants to the GSBPP. While reviewing the projected first-tier business schools, one can note the high barriers to entry that competitors will face upon entering into the current market. Most civilian schools have a broad, fairly stable resource base, which can consist of undergraduate programs and other resources already in place at the school. For these organizations it is easier to cross into the executive education market segment. Organizations may already have the means to finance the programs and also the needed faculty. These organizations will pose as the biggest potential entrants that may take away student base from the GSBPP. Also, these institutions have already achieved name recognition and also gained learning curves in terms of current operational activities. However, in the current arena of actual Air Force military executive education, there are very few possible entrants. This is mainly due to an agreement signed that allocates student base from the Air Force to attend the GSBPP for acquisition related courses (Hudgens, 2007). Also, the Air Command and Staff College, a joint school that provides graduate degrees to the military, is potentially capable of offering an executive education degree program. However, they are currently not offering any specialized acquisition curricula outside of their JMPE course structure. This absence leads to a large financial barrier to entry since faculty, funding, and accreditation will be needed to launch the program.

For most entrants, start up costs for this type of program appear as a large barrier to entry. Not only do other schools require funding to start such a program, they also analyze other factors. The largest deterrent for schools considering entering into this segment is current budget restrictions. Many schools cannot come up with the capital needed to fund a new program. Organizations must also consider the faculty that is needed to teach such a prestigious program. The program's course content will also have to be accredited by the different accrediting agencies (Floden, 1980).

b. Supplier Power

The power of the MEM suppliers, those organizations who deliver educational products for use at NPS, is weak. Corporate sources of academic materials have no leverage with the GSBPP due to the high experience levels of the faculty and the lack of published textbooks directly related to the defense industry. The faculty has done an outstanding job providing a defense-focused MBA education by combining the traditional MBA textbooks and the numerous defense related case studies, articles and regulations in addition to their vast personal experience.

c. Rivalry Among Competitors

The rivalry the MEM program engages with both within the GSBPP and with the Air Force Institute of Technology has been documented in Chapter I and in the past performance section of this chapter. However, the MEM program finds itself in an education industry that is changing rapidly with increasing media opportunities for marketing and emerging educational competitors who challenge the GSBPP for government educational funding.

MBA students have more choices to choose from when selecting a graduate school for education (Coughlan et al., 2007). The MEM program competes indirectly against other programs around the world that offer resident and non-resident graduate education to military officers. More importantly, indirect competitors such as the University of Phoenix have marketing strategies that specifically aim and target customers that rely on government tuition assistance to fund their undergraduate and graduate educations (Crandall, 2007).

The rapid increase of enrollment and resulting financial success of the University of Phoenix should not be discounted (Crandall, 2007). Although many in academic circles would downplay the value provided by the University of Phoenix due to its accreditation issues and poor academic reputation, its effects on the competitive market forces are substantial. For example, the University of Massachusetts has increased their marketing efforts due specifically to the success of the University of

Phoenix. The University of Massachusetts views the success of the University of Phoenix with "concern and a sense of urgency (Resende, 2007)." The MEM program and the GSBPP needs to market aggressively. Although the MEM program is not a distance learning program, it nonetheless competes indirectly against the University of Phoenix, and more importantly, it competes against all of the educational institutions that have dramatically increased their marketing efforts in attempts to compete with the University of Phoenix and retain their prospective student base.

Institutions such as the University of Massachusetts are increasing their marketing staffs and budget to maintain growth (Resende, 2007). Marketing educational institutions is now much more difficult with more competition from profit-based educational programs. The University of Phoenix spends $20 million dollars per month on web-advertising. This has resulted in a dramatic increase in costs of web-marketing for educational institutions (Resende, 2007). Combined with a large number of corporations willing to fund their employee's education at institutions such as the University of Phoenix, the market for prospective students has intensified and has become more costly to advertise.

A number of traditional education institutions are reacting to the changing market conditions by implementing mass marketing strategies to maintain and increase their market share of student recruitment and enrollments. The use of the Internet as a low cost mass marketing medium has overtaken print, TV, and radio as a medium of choice for many products because of the large volume of online users and the low cost of reaching out to them (Shaik, 2005).

d. Buyer Power

According to 422 Group, described in Chapter 3, and its report on "Issues and Opportunities within the Campus Admission Office:

> Recruitment is starting earlier and ending later: Because students have access to a wealth of online college search resources as well as actual college information—both through 3rd party sources and college Web sites—they are able to initiate the search for colleges at a much earlier

> point. This has forced colleges to respond to prospects at an earlier point and to maintain relationships with them over a longer period of time. (422 Group, 2004)

If your institution is ranked in the first-tier of public and private education universities and colleges, your prospective customers respond with a significant demand for your services (Coughlan et al., 2007). Acceptance into a first-tier graduate institution is fiercely competitive which results in a significant lack of buyer power. However, the lower your ranking and positive brand awareness, the higher the buyer power is for your educational services.

The MEM program currently has a limited target market that results in a near monopoly of power to the buyer. The MEM program serves customers who, as sponsors, review and modify the curriculum depending on their needs and requirements. Compared to the first-tier education institutions, the MEM buyer dictates the demand, course content and determines, in conjunction with the Naval Postgraduate School, the length and start dates for each curriculum.

The only power that the MEM program could possibly attain is over the civilian students who enroll in the program due to their low enrollment numbers and minimal employer involvement with the GSBPP. If the MEM program were to dramatically increase the enrollment of non-sponsor and civilian students, it could reduce the buyer power of the military services somewhat if it chose to pursue that goal. No research was undertaken to measure the true extent of the buyer power and its effect on the strategic goals of the GSBPP. However, first-tier education institutions enjoy the autonomy of constant demand and have more power to shape their strategic direction. It is a somewhat unique position for the GSBPP to have its customers directly shape its internal operations in the education industry.

e. Threat of Substitutes

The largest threat to the GSBPP, and hence to the MEM program, is the possibility of shifting graduate education to traditional educational institutions, with the ultimate possibility of closing GSBPP. This project classifies all graduate education

programs as direct and indirect competitors to the MEM program. However, substitutes such as non-resident programs at the Defense Acquisition University provide specialized training required by the military services.

In addition, for-profit solutions could emerge that provide an effective substitute for acquisition-specific education. The University of Phoenix has a business model that is highly dependent on support from the federal, state and local governments and financial support from employers (Yung, 2004). The US military is continually searching for outsourcing opportunities for its base and post-level support. The possibility that for-profit educational institutions emerge to fill the need of specialized acquisition education exists. In the Air Force for example, much of the specialized training and education for flight safety and cockpit/crew resource management, originally provided by government and military personnel, has been contracted out to civilian firms to teach (Smith, 2002).

The Air Force has also been certifying non-graduate education programs to fill its needs for Intermediate Development Education. Examples include the Joint Advanced Warfighting School (JAWS) and the Advanced Study of Air Mobility (ASAM). These examples are not direct substitutes to the MEM program, but other programs such as the RAND Research Fellowship and the SECDEF Fortune 500 Corporate Fellowship, both offered to Senior Development Education (SDE) students, could emerge as substitutes for (or even rivals) to the educational programs at NPS (AFPC, 2007).

Regardless of the institutions that may emerge to challenge the GSBPP and MEM program, whether directly as rivals or indirectly as substitutes, the market for higher education combined with the introduction of new technologies and new recruitment strategies has put more information and control in the hands of consumers (422 Group, 2004). The GSBPP and MEM program will have to communicate and market its strength as an educational institution to avoid the threat of its competitors for graduate education and substitutes for specialized defense-focused training and education.

6. Internal Analysis

The MEM program was managed using a product differentiation strategy to minimize the risks of cannibalization from its 18-month MBA program (Moses, 2005a). Discussion documents reveal a strong preference for the 18-month program and concern over the dilution of the MBA brand image (Moses, 2005a). Our analysis of these documents suggests that these concerns marginalize the potential of the MEM program and strongly influence the adoption of a passive approach to marketing. Although the possibility of student enrollment increases and pedagogical benefits were discussed, there appears to be an over-reliance on the 18-month MBA program and its customers in the Navy. The strategic issues of creating a new, shorter, more focused graduate degree program and its effect on enrollment and research were secondary to the concerns of the MBA brand image.

The lack of acceptance of the MEM program may indicate a lack of entrepreneurship and contentment with government funding to supply student demand. There certainly exists a strong, entrepreneurially desire for research opportunities in the GSBPP faculty, but unorthodox means of creating and searching for additional student demand may not be prevalent. The GSBPP sees itself as primarily a Navy educational institution, which is indeed true. But its survival may depend on the self-realization of the strong competitive forces that threaten the existence of the GSBPP. A new, more corporate-like strategic direction that embraces change and allows it to compete more effectively may be required to ensure survival as an institution. Especially when organizations critical to NPS believe that the institution is no longer unique and its functions should be privatized (DesJardins & Kohmuench, 2001). The GSBPP has high fixed operating costs. Embracing new, more efficient curriculums that potentially create additional student demand reduce the costs per student and possibly create additional research opportunities and draw additional, outstanding faculty to the GSBPP.

D. CUSTOMER/MARKET SEGMENTS

1. Market Segments

This project segmented the potential markets for the MEM program based on the composition of students that are seeking graduate degrees. Our analysis indicates that the students who enroll in the MEM program are a subset of the targets for this marketing strategy. Buyer power for the individual student is limited. Most of the power to shape the curriculum and MEM program is limited and exists in the completion of Student Opinion Forms. Sponsors for the students, who provide the funding and shape the development of the military officers inbound to the GSBPP, monopolize the buyer power and make the decisions on enrollment and in many cases, program selection.

Analysis of each market segment is described below. Due to the limited amount of information available for each segment, the student enrollment market potential is assessed as low, medium and high for analysis purposes. Resources required to market to each segment were stratified as low, medium and high. Resources considered in the assessments include travel, traditional marketing activities, and GSBPP administrative personnel costs. Below are the segments of students to be pursued in this marketing strategy for the MEM program:

a. Air Force Officers

The market for Air Force IDE students is limited and decreasing. The Air Force operates and maintains two graduate education institutions with large fixed costs. Selection to attend graduate education for junior field grade officers will be directed first to the Air Force Institute of Technology and the Air Command and Staff College (HQ USAF/DPDEE, 2001). Despite the recent Memorandum of Agreement between the SECAF and SECNAV, the enrollment of Air Force officers in the GSBPP is decreasing rapidly. However, enrollment in the other schools at NPS is remaining steady (Hudgens, 2007). This target market is assessed to be medium based on past enrollment trends and

the Air Force's continuing requirement for graduate education. Resources required to market to the Air Force are medium due to travel costs and marketing activities.

b. Naval Officers

The market for Naval officers is low for the MEM program. The Navy is the prime customer for the GSBPP and its program development and content are shaped directly by the Navy. The 18-month MBA program is developed specifically to meet Navy requirements for an MBA program and extensive specialization training and certification. The 12-month MEM program may become attractive to the Navy URL community. However, the EMBA program at the GSBPP was developed to meet the URL officer requirements. If the MEM program gains enrollment from the Navy, this gain may be neutralized by the subsequent drop in enrollment from other curriculums in the GSBPP due to budgetary limitations. The one-year MEM program may be attractive to URL officer requirements, but considerable cannibalization may occur if a shift from the EMBA and MBA program to the MEM program occurred. Resources required is assessed to be low based on existing GSBPP relationships with Naval leadership

c. Army Officers

The Army has requested shorter graduate programs from the GSBPP and has been denied (Moses, 2005a). Marketing the MEM program to the US Army Human Resources Command and the U.S Army Training and Doctrine Command may stimulate interest and enrollment in the MEM program. The US Army does not have a graduate education institution similar to the Naval Postgraduate School and AFIT. However, the Army does have the Army Logistics Management College in Fort Lee, Virginia to train its acquisition officers (ALMC, 2007). This college does not offer graduate degrees and the MEM program may compete well with the courses offered at Fort Lee. The market for Army officers is assessed to be medium. Resources required are assessed to be medium due to travel and marketing activities.

d. Marine Corps Officers

The Marines appear to be satisfied with the 18-month MBA program at the GSBPP (DesJardins & Kohmuench, 2001). The current curriculum meets the technical needs of Marine Corps officers and specifically prepares them for their follow-on assignments. The number of Marine Corps officers attending the GSBPP is small due to budgetary issues and personnel strength. Despite the low numbers of Marine Corps officers, marketing to this segment should still be undertaken. The market for Marine Corps officers is low. Resources required for marketing activities is assessed to be low due to existing relationships with Naval leadership.

e. Department of Defense Civil Service personnel

The Department of Defense traditionally does not offer adequate graduate education opportunities to its civilian workforce (Yoder, 2004). However, the overwhelming majority of acquisition personnel in the DoD are government civilians. This market segment may be an untapped market for the MEM program. Marketing directly to the junior civilian personnel working in the acquisition, finance, personnel, contracting and supply could generate a larger demand for the MEM program. This would however, require considerable resources and effort to develop relationships and market the MEM program. Most of the personnel in the government civil service sector may already have the specialized training required in their field due to the traditional longevity of their careers in civil service. Despite this large number of personnel, the turnover of civilian personnel is small. The market potential for civilian personnel is assessed to be medium.

The US Office of Personnel Management (OPM) offers leadership development programs to federal employees via the Federal Leadership Development Programs (OPM.gov, 2007). Programs vary from days to 18 months in length. Specifically, programs such as graduate business education at Stanford are offered that are in direct competition to the MEM program. No program in the course catalog exists from the Naval Postgraduate School. Marketing the MEM degree to the senior leadership at the US Office of Personnel Management may be an opportunity to offer a competitive

graduate education program that competes well financially against programs at Stanford. Other opportunities exist in the GSBPP's Executive Education Program that could be marketed to the US Office of Personnel Management as well. The Air Force's graduate education programs at AFIT and Air War College are listed as opportunities to federal employees in the Federal Leadership Development Program. Resources required to market the MEM program is assessed to be medium due to the centralized management of personnel development, but poor existing relationships with the OPM.

f. Corporate Education Programs

This market offers the largest potential to increase student enrollment at the GSBPP and the MEM program. Defense contractors actively seek and establish education programs for its employees. For example, Boeing has been aggressive in its efforts to provide graduate education programs for its 160,000 employees worldwide (Mannino, 2006). Boeing currently has an agreement with Stevens Institute of Technology to provide graduate education via distance learning to its employees. Several institutions such as Purdue University and Villanova also have agreements to provide graduate education through Boeing's Learning Together Program. Marketing the MEM program to programs such as the Boeing Learning Together program office may stimulate interest in the MEM program. There may be a significant perceived value to Boeing to have its employees study side-by-side with its military counterparts. This relationship potential should be marketed to Boeing and other defense contractors. Lockheed also has its own partnerships with universities such as Cornell to provide graduate education for its leadership development program (Brand, 2000). The market for civilian students is high, but considerable resources for travel and source selection responses will be required. Resource requirements are assessed to be high due to heavy travel and administrative personnel costs.

g. Summary

The market segments for the MEM program is tabulated below for review.

Table 4. MEM Market Segment Summary

Market Segment	MEM Market Potential	Resources Required
Air Force	Medium	Medium
Army	Medium	Medium
Navy	Medium	Low
Marine Corps	Low	Low
DoD Civilians	Medium	Medium
Defense Contractors	High	High

h. Conclusions

Medium market potential exists for the MEM in the military services, but the resources required to market the MEM will be costly with the exception of the Navy. The highest market potential exists for the mainly untapped defense contractor executive education market. However, the resources required to successfully market the MEM program is assessed to be high. Defense contractors are numerous, but lack a centralized leadership structure for the entire industry to focus MEM marketing activities.

No market segment should be eliminated. Marketing of the MEM program should be broadly targeted to all market segments with the exception of the Marine Corps and its low target market.

2. Target Market

The market segments described above contain several layers of management and decision making. Students are normally enrolled in the GSBPP at the request of their sponsors and employers. The progression through several layers of decision-making are required to secure an entry for a student from the military services, Department of Defense, and defense contractors. A change in paradigm should be noted for MEM

marketing activities. The traditional educational marketing practices of civilian institutions will only be partially effective due to the uniqueness of the MEM customer. Students and their sponsors *are not* the primary decision makers for student enrollment. The primary decision makers for the MEM program are the HQ Staffs for each military service and the senior personnel leaders in the OPM and defense contractors. This customer relationship is described in more detail later in this Chapter. The marketing strategy for the MEM program should promote the education program to all elements in the decision-making process.

a. Evolution of the MEM Marketing Strategy Model

The concept used to describe the MEM marketing strategy model and resultant implementation strategy is derived from Colonel John Warden's Theory of Strategic Paralysis (Fadok, 1995). Excerpts from Fadok's description of Warden's Theory and the modifications used to develop the MEM marketing strategy are presented below:

> Warden's strategic air warfare is more political than economic in nature. Targeting enemy leadership to produce desired policy changes is the overarching aim that should guide the employment of friendly air forces.
>
> Central to this theme is the Clausewitzian concept of an enemy's [Center of Gravity] COG, defined by Warden as "that point where the enemy is most *vulnerable and* the point where an attack will have the best chance of being *decisive*." (emphasis added) The proper identification of these COGs is the critical first step in planning and conducting military operations
>
> Analyzing the enemy as a system, Warden contends that all strategic entities can be broken down into five component parts. The most crucial element of the system, the innermost ring, is leadership. Extending outward from the leadership center, *in descending importance to the overall functioning of the system,* are the rings of organic essentials, infrastructure, population, and fielded forces. (Fadok, 1995).

Analysis was undertaken to determine the MEM student enrollment center of gravity. This level of leadership is positioned at the HQ A1 staffs for each military service and represents the center of gravity for graduate education funding. After the

center of gravity was identified, the model was used and modified to describe the descending levels of decision making that factor into MEM prospective student enrollment. This model is excellent for describing the MEM target market due to its simplicity and effectiveness at describing the many layers of management and marketing methods required for each ring. This model is detailed further later in this Chapter.

> The central theme of the Five Rings model is that the most effective strategic plan always focuses on leadership first and foremost. Even if leadership is unavailable as a target set, the air strategist must still focus on the *mind of the commander* when selecting centers of gravity among the other rings. For within these rings lie centers of gravity which, when hit, impose some level of physical paralysis, thereby raising the costs of further resistance in the mind of the enemy command. The implicit message is that destruction or neutralization of the leadership COG(s) will produce total *physical* paralysis of the system, whereas successful attack upon COGs within the other rings will produce partial physical paralysis, but unbearable *psychological* pressure upon the leadership. (Fadok, 1995)

The concept of leadership targeting and psychological pressure described in Col Warden's model was used to develop the MEM implementation strategy. These concepts were modified to describe the benefits of marketing to all layers of management and the limitations that would result if layers of management were excluded. The overall intent is to market the MEM program in a way that creates demand for the product and resulting pressure on the leadership center of gravity to fund the student enrollment.

> A *paralysis strategy* seeks to make continued resistance impossible for the enemy command. It does so by thoroughly and simultaneously incapacitating the entire enemy system from the inside out. This total system paralysis, in turn, provides us the freedom of movement to change policy for the enemy leadership without interference. . (Fadok, 1995)

Col Warden's model also stresses the simultaneous efforts in the paralysis strategy. This concept was modified in the implementation strategy to maximize initiative and urgency in the GSBPP. By simultaneously marketing the MEM program to the multi-layers of management, effects of the MEM implementation strategy can be realized faster and change initiated more effectively if desired. Simultaneous marketing may be the most effective way at creating and maintaining pressure on the inner ring or leadership level of management.

b. MEM Target Market Model

The result of use of this model is the target market for the MEM program shown below in Figure 8 and the description of each ring of decision making.

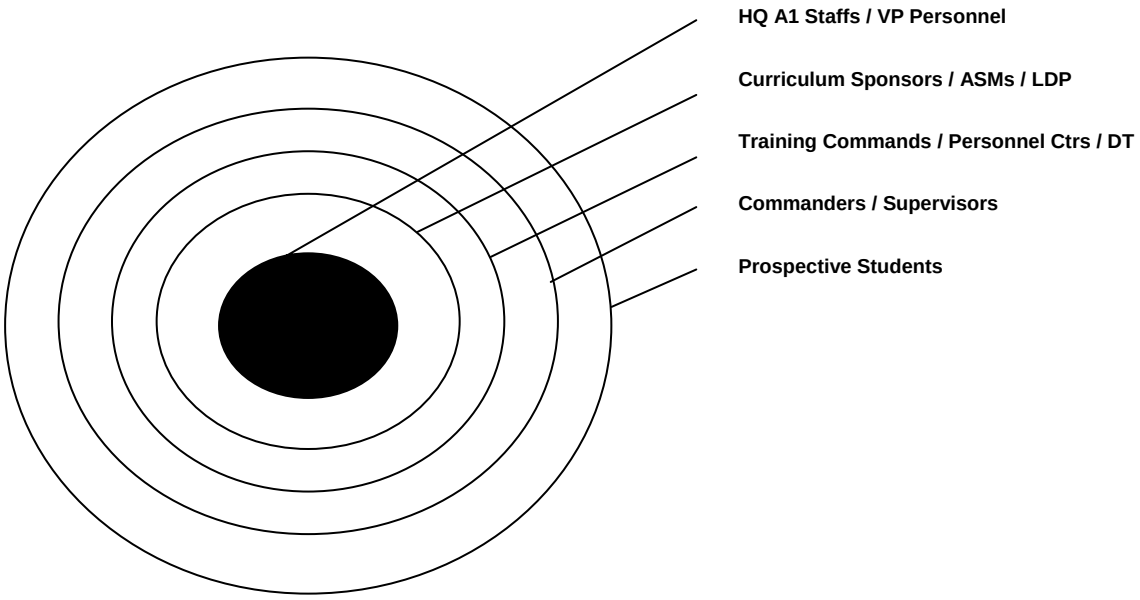

HQ A1 Staffs / VP Personnel
Curriculum Sponsors / ASMs / LDP
Training Commands / Personnel Ctrs / DT
Commanders / Supervisors
Prospective Students

Figure 8. MEM Target Market Segments

(1) Bullseye (1st Inner Ring). The inner circle represents the HQ A1 staffs for the respective services and the senior Vice Presidents for Personnel at the defense contractors. This level of the target market represents the Center of Gravity for advanced academic education. Education budgetary decisions are analyzed and academic institution quotas and overall requirements of annual student enrollment are determined at this level of decision making. Any marketing of the MEM program outside this Bullseye will not be successful unless acceptance from this level of the target market is obtained, either directly from the MEM program or from lower levels of decision-making.

(2) 2nd Inner Ring. The second level of decision making includes the curriculum sponsors for the GSBPP and organizations such as the Air Force Academic Specialty Monitors who provide the requirements and guidance to the A1 staffs in the military services. In the civilian and corporate world, this level of organization includes the senior leaders for their respective Leadership Development Programs. The level of decision making formulates the requirements for graduate education and attempts to secure funding from the Bullseye.

(3) 3rd Inner Ring. The third level of decision making includes the respective training commands and command personnel centers and staffs that provide guidance, leadership and strategic planning for academic education and development. This level of decision making also makes the selections of students to academic programs and determines the officers most qualified for senior leadership through promotion and education development.

(4) 4th Inner Ring. The fourth level of decision making includes the commanders and supervisors who identify field-level requirements for advanced education and nominate personnel for educational opportunities. In many cases, the recommendations of the commanders are the primary selection criteria for their personnel's academic programs (HQ AFPC/DPAFF, 2005).

(5). 5th Inner Ring. The outer ring includes the prospective students. Prospective students provide demand for education and fill the requirements for leadership development. During the selections for educational opportunities at formal boards, selection boards take into account the desires and preferences of the prospective students.

3. Positioning

The MEM program should be positioned as a quality product that is an "upscale" version of the MBA program. Selling points include the excellent faculty, more senior cohort, and the executive nature of the program. The program should continue to compete directly with the service IDE programs. With the possible inclusion of the

Naval War College JPME program at NPS, the MEM program is postured to compete well against other IDE programs.

E. MARKETING STRATEGY

1. Product Strategy

Our analysis indicates the MEM is a product that has the potential to increase enrollment in the GSBPP. The market segments described previously are not new to the GSBPP; they exist today in the other curriculums offered to prospective students. However, the MEM program, with its efficient curriculum and reduced program length offers the possibility of increasing the percentages of non-Naval students in the GSBPP. Based on the SWOT analysis, the product strategy for the MEM program should market itself to all market segments described about and focus on three proposed marketing themes: Quality, Rigor and Efficiency.

a. Quality

The MEM program should be marketed as a high quality product that provides a first-tier equivalent graduate education to junior executives and field grade officers. The following changes to the MEM program should be considered to maximize the value of the MEM and ensure the product matches the marketing strategy:

- *The MEM program name should be changed to include "MBA"*

The MEM program already "piggybacks" on the MBA courses to fill the core requirements of the degree (Moses & Hudgens, 2005). The MBA brand at the GSBPP already exists. Also, the MBA name is synonymous with business graduate education in the education industry. Students in the MEM program are receiving a graduate education similar to traditional MBA programs. Traditional MBA programs in the civilian sector do offer the ability to focus on specialized curriculums, but the trend appears to be integrative across the curricula (Hudgens, 2005).

- *The MEM program should include a Thesis/MBA project.*

The MEM program needs to gain acceptance from the GSBPP before any marketing strategy can be implemented. Analysis by the GSBPP should consider whether the limited specialization courses in the MEM program could/should be replaced by a Thesis/MBA Project. Inclusion of the Thesis/MBA Project capitalizes on the benefits of student research "given back" to the military services and GSBPP. Consideration should be given to students who complete the JPME program at the Naval War College at NPS to fill the requirements of the Thesis/MBA Project. The EMBA program has a requirement for a smaller, one-quarter MBA project compared to the 18-month MBA program, which requires a two-quarter MBA project. The determination of the content requirements for the MEM Project should be made by the respective program manager. The possibility of allowing academic research or courses equal to a thesis/MBA project, which is allowed in the EBMA program, should be researched as well. In all determinations, the value of student research to the military services should be paramount in the decision making.

- *The MEM program should continue to strive towards creation of a separate cohort.*

The value and marketability of a separate, more senior cohort is high. Considerable efforts should be made to differentiate the MEM curriculum to the military services to secure enrollment from field grade officers. In addition, marketing efforts should be made to defense contractors to send their students to the MEM program and study side-by-side with their junior executive counterparts. The value this cohort may be competitive with non-military programs such as Cornell, who trains students for Lockheed, especially when tuition costs are factored into the equation (Brand, 2000).

The Navy often sends students to the GSBPP in the O-4 to O-5 range of rank. Inclusion of these senior company grade officers and junior field grade officers should be pursued if the specialization education requirements are not desired by their respective sponsor.

- *The MEM program should aim to refine its curriculum to provide a "first-tier" equivalent education.*

Efforts by the MEM program managers should strive to refine the curriculum to match its more senior cohort. Once enrollment increases enough to create a separate cohort, the curriculum should adjust accordingly to focus on strategic versus technical issues. The assumption should be that MEM students have already received technical training or is not required for follow-on commands/assignments. MEM student enrollment criteria should consider allowing only those students who have achieved the appropriate technical and specialization education once demand has increased to maximize the potential of the cohort. Market the MEM to this student target base appropriately.

b. Rigorous

The MEM program should be competitive to enter and difficult to complete. Completion of the MEM program requirements should be rigorous to counter any accusations and criticisms that may dilute the MBA brand image. Completing the MEM degree in 12 months will be difficult for students. Selective entry into the MEM program will ensure the quality of the MEM cohort. A rigorous curriculum will be easy to sell to the Bullseye and 2nd Inner Ring customers searching for quality. Difficult curriculums that provide an outstanding and rewarding educational experience will develop a strong reputation among the 4th Inner Ring parties who will reap the rewards of MEM graduates. The following recommendations should be considered for the MEM program:

- *Keep MEM entry requirements competitive and avoid waivers to entering students.*

This will be difficult due to the need for additional students to restart the MEM program. Consider the investment required to maintain a small, separate, senior cohort to establish the curriculum required to maintain excellence.

c. Efficiency

The Naval Postgraduate School has been criticized for its overhead costs and efficiencies when providing graduate education (DesJardins & Kohmuench, 2001). The MEM program should be used to counter these arguments by communicating its efficiencies at providing a quality graduate education in 12 months. The MEM program should be marketed for senior personnel who can handle the rigorous workload. Bullseye through 4th Inner ring target markets will be attracted to the competitive and cost effectiveness of a 12-month graduate degree in a military setting (DesJardins & Kohmuench, 2001).

Marketing the MEM product efficiencies will also help counter the possibilities of military services and corporations sending their students to civilian educational institutions. This will make the MEM degree more competitive with the staff colleges that are one year in length and offer an easier transition to command opportunities (Moses, 2005a). The MEM's elimination of unneeded specialization should be marketed as well.

When compared to the first-tier graduate institutions, the GSBPP and MEM programs cannot compete based on reputation and ranking alone. However, the MEM program can compete with the first-tier programs by marketing the efficiency at which it educates its students to all of the market segments described previously. By maintaining the quality of the degree, the MEM program also competes well against its non first-tier competitors.

2. Pricing Strategy

The MEM tuition is competitively priced and as stated above, competes well against its competitors from a tuition standpoint alone. The ability to change the price of the MEM degree is limited (Hudgens, 2007). However, the ability to enter niche marketing and increase the price of the MEM tuition with further MEM development and acceptance should be considered in the future. For the market segments described

previously, the salary considerations of the students should be eliminated from any cost/benefit analysis due to its redundancy in all graduate education programs.

The addition of the Thesis/MBA Project should also be included in the pricing strategy. This increases the "efficiency" of the MEM program to the Bullseye and 1st Ring customers. MEM competitors in the civilian educational institutions cannot match the value described by Professor Gates with regards to research and corroboration (DesJardins & Kohmuench, 2001).

Efficiency is the theme for the MEM pricing strategy. Few resident educational institutions can match the ability to graduate students in one year with an accredited graduate business degree, especially if the MEM program is changed to acquire the MBA program name. Other institutions such as a Northwestern offer a One-Year MBA (Kellogg School of Management, 2007). However, significant prerequisites are required to enter the One-Year MBA program at Northwestern.

3. Promotion Strategy

The MEM program should promote its product to all members of the target market described previously in the Target Market. The marketing methods should be focused and tailored to each decision maker. However, the most important concept of this promotion strategy is the concept that all rings should be targeted simultaneously (Fadok, 1995). Marketing to the Bullseye without stimulating demand in the outer rings will not be successful in the long term. Marketing the product with retail methods to the outer ring decision makers will not be successful unless the inner rings and Bullseye parties are marketed simultaneously to secure the student quotas. Specific emphasis of the MEM product strategy marketing theme for each ring of decision making is discussed below. However, all three marketing themes, Quality, Rigorous, and Efficiency should be discussed with each customer. The use of email strategically should be used for all rings below. The promotion strategies for each ring are described below:

a. Bullseye

The MEM customers in the Bullseye should be targeted with a relationship marketing strategy. Significant efforts should be made to travel and establish long-term relationships with the HQ staffs and senior leaders of defense contractors. Attempts to communicate the benefits of the MEM program should be made, with specific emphasis on the efficiency and quality aspects of the MEM product strategy. The **Efficiency** marketing theme is the primary strategy due to the budgetary issues the members of the Bullseye deal with on a daily basis. The quality aspects of the MEM product strategy should also be emphasized. There are multiple levels of leadership and management that exist between the GSBPP and the HQ Staffs that must be identified. However, research must be done to "work up the chain" and establish relationships that allow the flow of information from the GSBPP and the HQ Staffs. Specifically, the MEM marketing strategy should:

- Establish the quality MEM brand image
- Travel and establish long-term contacts and relationships
- Provide detailed briefings to communicate the strengths of the MEM program
- Communicate often with updates about the MEM program
- Emphasize the efficiency of the MEM program compared to its competitors
- Use faculty to travel and brief the benefits of MEM program
- Emphasize the benefits of student research to the military services
- Market the joint service relationships and nature of the GSBPP
- Use email to communicate often, but avoid "spamming" the staff with MEM program information and retail marketing
- Communicate the MEM's ability to meet the outer ring's needs
- Communicate the MEM's ability to react and change to the outer ring's needs

b. 2nd Inner Ring

The customers in the 2nd Inner Ring should also be targeted using a relationship marketing strategy. The use of MEM faculty should be maximized due to the academic nature of this relationship. The **Rigorous** and **Quality** aspects of the MEM product strategy should be emphasized. The MEM program should be marketed as a program that meets their specific and changing requirements for graduate education. The marketing actions should be to:

- Establish and maintain a relationship with these customers
- Emphasize the academic quality of the MEM program
- Emphasize the MEM's ability to meeting changing requirements
- Emphasize the student research potential to the military services
- Maximize the marketing potential of the MEM faculty to this ring
- Market the joint service relationships and nature of the GSBPP
- Use email to communicate often, but avoid "spamming" the staff with MEM program information and retail marketing
- Communicate the MEM's ability to meet the outer ring's needs

c. 3rd Inner Ring

The 3rd Inner Ring selects the students and establishes the training guidance for the military services. The marketing theme to be emphasized is the **Rigorous** aspect of the MEM program. The goal should be to ensure the best students are selected to attend the MEM program. In addition, the MEM program should:

- Ensure all MEM program information and literature used in selection boards is up to date
- Attempt to brief the selection boards on the MEM program
- Ensure the MEM entry requirements are communicated

- Emphasize the competitive nature of the MEM program
- Communicate the **Rigorous** requirements to complete the MEM program
- Market the **Efficiency** theme and its ability to meet the service's one year requirements
- Establish marketing relationships with the Leadership Development Teams in both the military services and defense contractors to track the changes and trends in the executive education environment
- Maintain contacts with Development Teams to generate feedback of MEM graduates

d. 4th / 5th Inner Rings

The marketing strategy for the MEM program in the 4th and 5th Inner Rings should follow the common active marketing strategies used by civilian education institutions to market their programs. Emphasis is on the MEM brand image and product information to stimulate student demand. The MEM program should:

- Market the **Quality**, **Rigorous**, and **Efficiency** themes of the MEM brand
- Establish relationships with current students and alumni that will enhance future marketing efforts and promote MEM brand awareness
- Create a MEM alumni program that stimulates demand for the GSBPP
- Market the MEM program smartly with email information campaigns
- Market the MEM program with email and product literature at the base-level education offices
- Use MEM graduates to communicate/brief Commanders on the MEM program
- Coordinate marketing efforts with the EMBA program

- Consider web advertising on military .mil websites and military-topic web sites*
- Consider print advertising in military periodicals
- Market the MEM program at the service academies
- Market the MEM program to ROTC detachments
- Market the JMPE opportunities of the MEM program
- Market the MEM program at company-grade service schools
- Market the MEM program at defense trade shows
- Market the MEM program directly to defense contractors

*Caution should be used if web advertising is pursued. Although programs such as the University of Phoenix have been successful at generating demand with web advertising, there is a significant risk of brand abuse with this marketing tool. Once the GSBPP and MEM program is advertised with on the web, search engines will lump poor academic schools with your search. For example, a prospective student attempts to search for the MEM program. Search engines will reply with information leading to websites with information about the MEM program. However, additional information and advertising will result from the search as well. Schools such as the University of Phoenix, Webster's University and other non-accredited schools will advertise on the same search result. The MEM brand could be damaged with this association. In many cases, educational institutions are avoiding this risk and have found that web advertising is "not effective (Crandall, 2007)."

F. IMPLEMENTATION

As discussed above, the best way to implement this strategy is to market the MEM program to every customer segments simultaneously. To implement this plan effectively, all market segments must be targeted, but the timing of the targeting will enhance the effectiveness of the efforts. Figure 9 below represents the overall implementation strategy of the MEM marketing program:

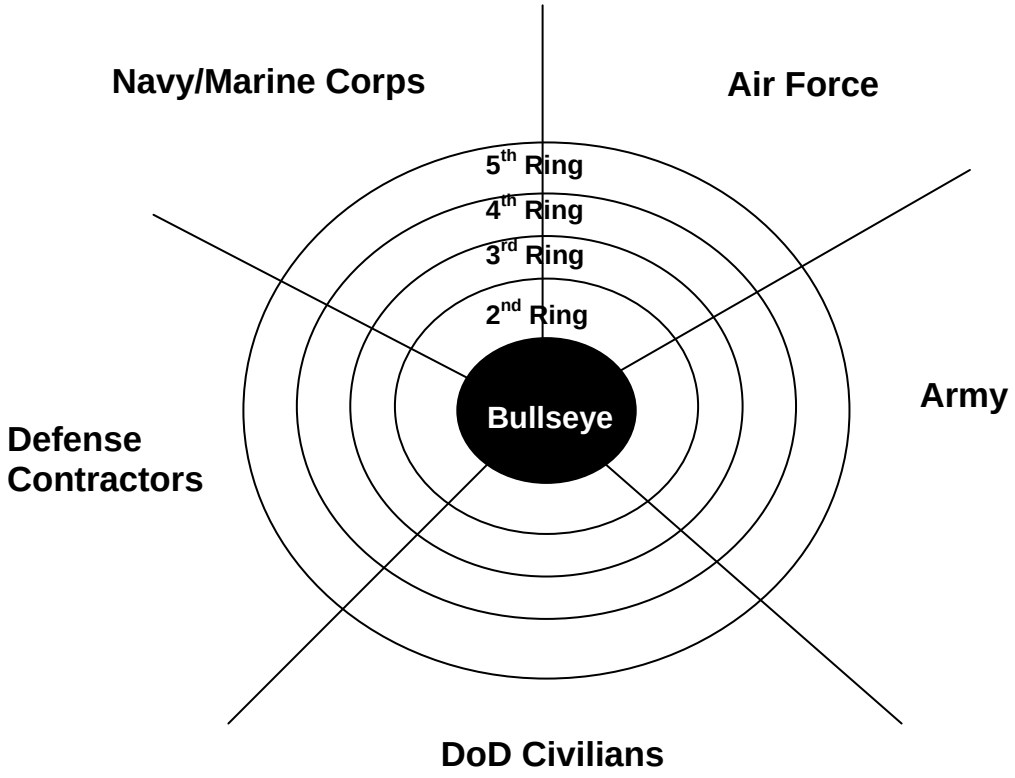


Figure 9. MEM Implementation Strategy

The object of the Implementation strategy is to play darts rather than archery. Every sector represents the market segments to be targeted for the MEM program. The object of the implementation strategy is to market the MEM program to every ring and every sector of the "dart board." Focusing all efforts on the Bullseye may secure the academic slots required to continue the MEM program, but it will not stimulate long-term, perpetual demand.

In addition, the timing aspects must be identified and studied. For each Inner Ring of decision making, the timing of decisions that affect MEM enrollment is discussed below:

1. Bullseye

The budgetary cycle must be identified and understood to market the MEM program effectively. Marketing efforts should be tied to the needs of the staff for program information to defend and secure funding. Marketing the MEM program after the staff's submission to the President's Budget will be futile. In addition, with established relationships, the ability to respond quickly to budgetary changes must be maintained. The MEM program leaders must assist the lower staffs that provide information to the Bullseye as well.

2. 2nd Inner Ring

The marketing of the MEM program should recognize and study the timing of requirements generation determined by this ring of decision making. Efforts to market the MEM should be emphasized during the genesis of requirements and continue to the outer ring to ensure demand for the MEM program. Relationships with the 2nd Inner Ring exist already with the program sponsors. The MEM program may face significant difficulties marketing the program to the corporate leadership development programs due to the high levels of competition. The MEM may have to reply to Requests for Proposals from defense contractors in some situations (Mannino, 2006). This may require additional personnel to complete these proposals and may strain the manpower needs of the faculty.

3. 3rd Inner Ring

Implementation of this marketing strategy to the 3rd Inner Ring will require the efforts of the military faculty at the GSBPP to establish relationships with their representative services' personnel and training commands. Recognition and tracking of the selection board process for incoming students should be used for enhancing the MEM marketing program. Conferences and academic trade shows should be targeted as well to maximize the brand awareness of the MEM program.

4. 4Th & 5th Inner Rings

Timing of the marketing efforts should be tied to education boards to maximize effectiveness. However, perpetual marketing should be attempted to stimulate demand and promote brand awareness.

In addition, the use of alumni should be attempted to fill manpower needs. Building a network of GSBPP alumni may reduce personnel and travel requirements. Encourage the use of alumni at academic trade shows and for briefings at the field level. Use email smartly to avoid the "spamming" of prospective students.

G. EVALUATION & CONTROL

There has developed an increased emphasis on business metrics. From the 422 Group:

> As more and more resources are being expended on prospecting and yield-enhancement activity, more and more attention is being paid to outcomes—both qualitative and quantitative—by enrollment managers, campus financial officers and senior college administrators. Many of the enrollment managers participating in the study (68%) cited an increased need to justify their operating expenditures through return-on-investment (ROI) analysis and to validate their enrollment strategy (422 Group, 2004).

Implementing this Marketing Plan may be costly in terms of travel and personnel costs. Careful consideration must be made due to the nature of GSBPP government funding. It is recommended that a cost/benefit analysis be accomplished and a return-on-investment be used to evaluate the progress of the MEM program.

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V. CONCLUSION & RECOMMENDATIONS

A. DEVELOP AN INTEGRATED MARKETING PLAN FOR GSBPP

The overall best value for the MEM program may be for the GSBPP to package its products (including the MEM program) and market the GSBPP as the primary brand. The ability of the GSBPP to satisfy the many needs of the military services and potentially the defense contractor educational market may be larger than the combination of brands under the GSBPP. There is a quality program in the GSBPP that allows for specialization (MBA), strategic focus (MEM) and distance learning (EMBA) that competes well against civilian educational institutions.

There is significant potential in marketing the diversity of the curriculums available at the GSBPP. Only the GSBPP is ranked, which increases brand value to the curriculums under it. Integrating all of the products under the GSBPP umbrella and developing a comprehensive marketing plan may offer the best opportunity for growth.

B. DEVELOP A RELATIONSHIP MARKETING STRATEGY

A paradigm shift may be required at the GSBPP. Traditional academic institutions rely on passive marketing strategies by building their academic reputations and research and relying on student demand to be attracted to their academic excellence. Traditional educational institutions compete for excellent prospective students, but the demand is perpetual. The GSBPP however, operates in a different marketing environment. A passive marketing strategy may not be effective due to its nature as a Naval institution. The GSBPP's student demand is budgetary in nature and is also subject to the whims of military senior leaders.

The GSBPP should take an active marketing approach to its institution. Engaging in relationship marketing strategies and using the excellence of its faculty to stimulate

demand and promote brand awareness may be more effective. Faculty efforts to secure research and funding should include a GSBPP marketing approach that aims to improve the GSBPP brand image.

C. DEVELOP A GSBPP ALUMNI NETWORK TO STIMULATE DEMAND FOR GSBPP PRODUCTS AND SERVICES

Develop alumni networks that provide marketing labor and tools to stimulate demand for the GSBPP. As discussed in the Marketing Strategy, the potential that alumni present with regards to manpower and GSBPP information distribution is great.

Promote the Executive Education program early to encourage the repeat enrollment at the GSBPP. Market all additional NPS learning opportunities that are available to the alumni to promote alumni relations.

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